

Individual Disability Insurance

# Don't your best people deserve the best?

Offer your key employees a benefit they'll value





# Retain and reward your key employees

Which of your key employees do you depend on most? Your office manager who has a strong rapport with suppliers? Your executive team who helps drive your business forward? These are the people you appreciate the most and want to retain and reward.



One way to do that is to strengthen your employee benefits package with income protection using Individual Disability Income insurance from Principal®. This valuable coverage helps protect employees' income. It works a lot like a "paycheck" if they become too sick or hurt to work. Plus, it can be tailored for your business's needs:

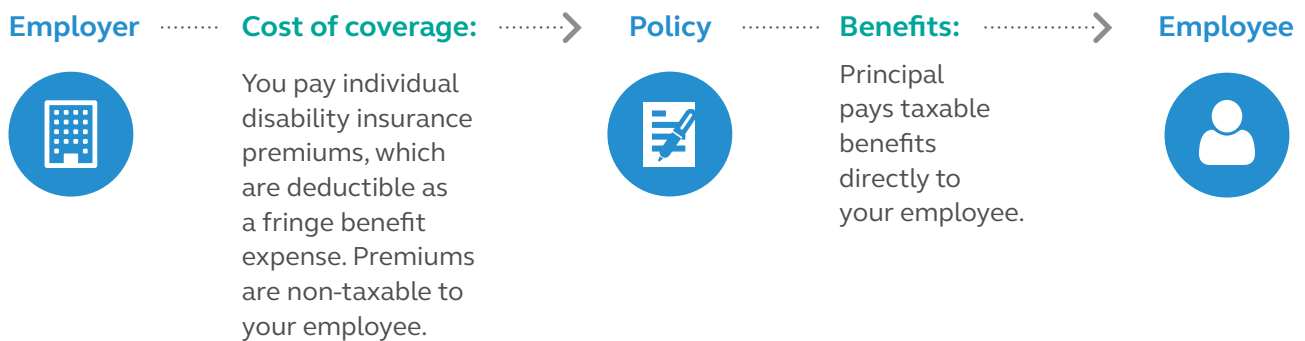
- You can offer it to select groups of employees.
- Your business may receive tax advantages.
- It's something your employees may not have considered, but will likely value.

## Three ways to leverage income protection for key employees

### Salary continuation

With this plan, you can provide coverage to specific groups of employees.

#### How it works:

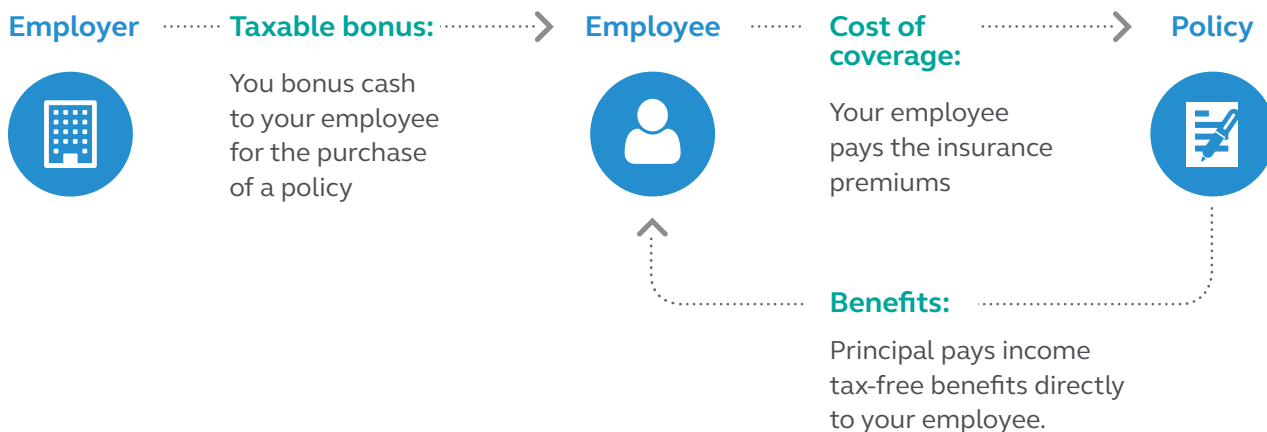




## Executive bonus

This plan allows you to give certain employees a cash bonus so they can purchase coverage.

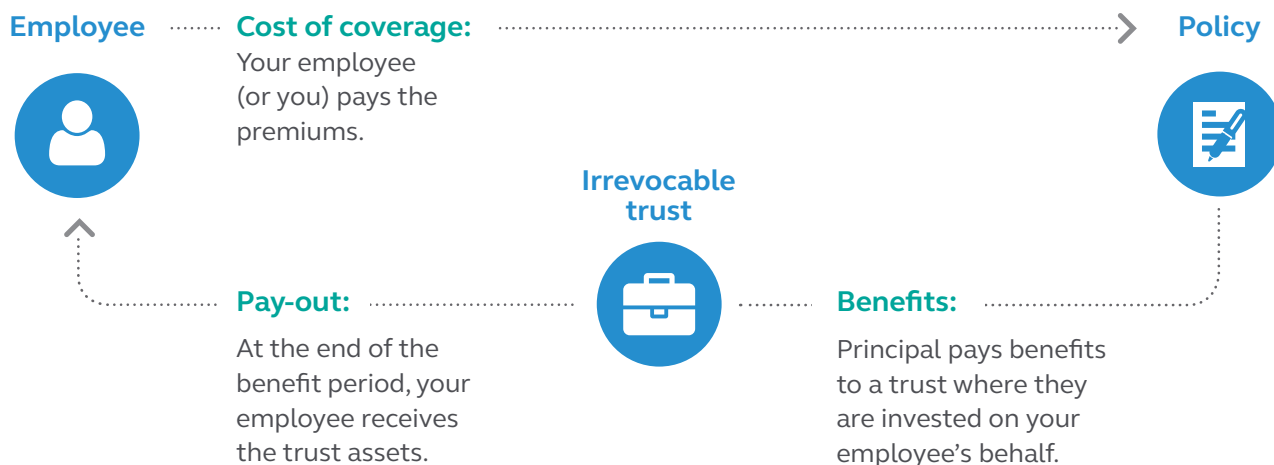
**How it works:**



## DI Retirement Security

This solution helps employees continue to save for retirement if they become too sick or hurt to work.

**How it works:**



# Comparing the three programs

	Salary continuation	Executive bonus	DI Retirement Security
<b>Program set-up</b>	You set up a formal program that aligns with tax code requirements.	No formal documentation required.	
<b>Employees covered</b>	You select which groups of employees to cover. As employees meet the criteria for the group, you add them to the program.	You choose who to cover.	
<b>Premiums</b>	You purchase a policy for each employee and deduct the premiums as a fringe benefit expense. Premiums are not taxable to employees.	The bonus you provide to employees is: <ul style="list-style-type: none"> <li>• Deductible to you, but may add marginal costs because of additional taxes and benefits.</li> <li>• Taxable as ordinary income for the employee.</li> </ul>	You can pay premiums directly, bonus the employee to pay them, or the employee can pay them with after-tax dollars.
<b>Policy ownership</b>	The employee owns the insurance policy and has full rights to it.		
<b>Benefit payments</b>	The employee receives benefits directly from Principal. The benefits are considered taxable income.	The employee receives benefits directly from Principal® on an income-tax-free basis.	Benefits are paid directly to an irrevocable trust. Depending on who pays the premium, the benefits may or may not be taxable to the employee.



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Let's connect.

Contact your local representative.

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