



Know Your Score

It all adds up

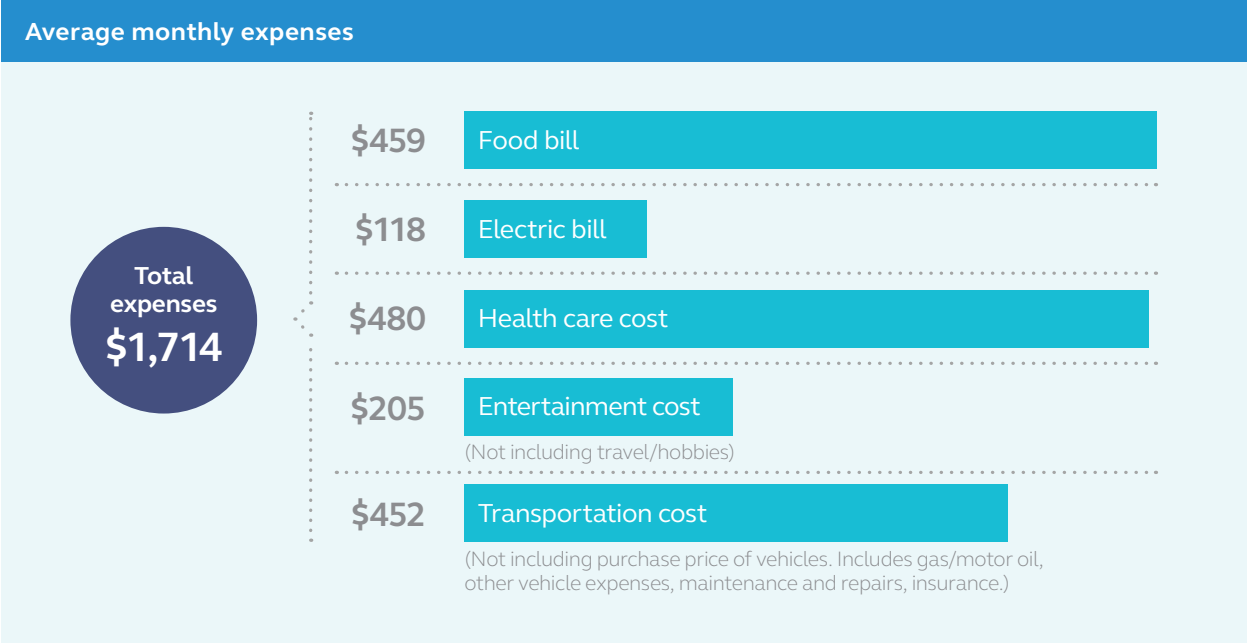
Find your score today: principal.com/myscore

Is your retirement savings plan on track?

Let's face it, no matter what stage of life you're in it's important to know you'll one day be able to retire. And, thinking about retirement shouldn't be complicated or stressful.

One number — your Retirement Wellness Score — provides at-a-glance awareness of your retirement readiness. Plus, it serves as a guide as you take action to get — and stay — on track.

Why is retirement readiness important? **Consider these basic expense stats about current Americans 65 and older.**



U.S. Bureau of Labor Statistics, 2015 Consumer Expenditure Survey, August 2016.

Those are just basic costs, not including potential future inflation. It's important to note that some costs may be reduced, like not having child care, student loans or a mortgage. However, you may have new expenses like hobbies or traveling.

Knowing your Retirement Wellness Score is a great way to help take the guesswork and stress out of preparing to cover your expenses during retirement.

Regardless of where you think you'll be — today is the time to know your score. Let's find out how.



Retirement readiness in two simple steps:



1 | Find your score

Everyone has a Retirement Wellness Score, what's yours? Knowing your personalized score now and in the future is the first step to getting on track for retirement. Find your score now at principal.com/myscore. Set appointments to come back and check it regularly.



2 | Take steps to improve it

Once you know your score, online planning resources available on your account allow you to easily visualize and plan for retirement. **You can make adjustments to see how things like changing contributions may impact your retirement income.**



Get on track for retirement

Once you know your score and how to take action to improve it, **you have a good start toward a more secure financial future.**



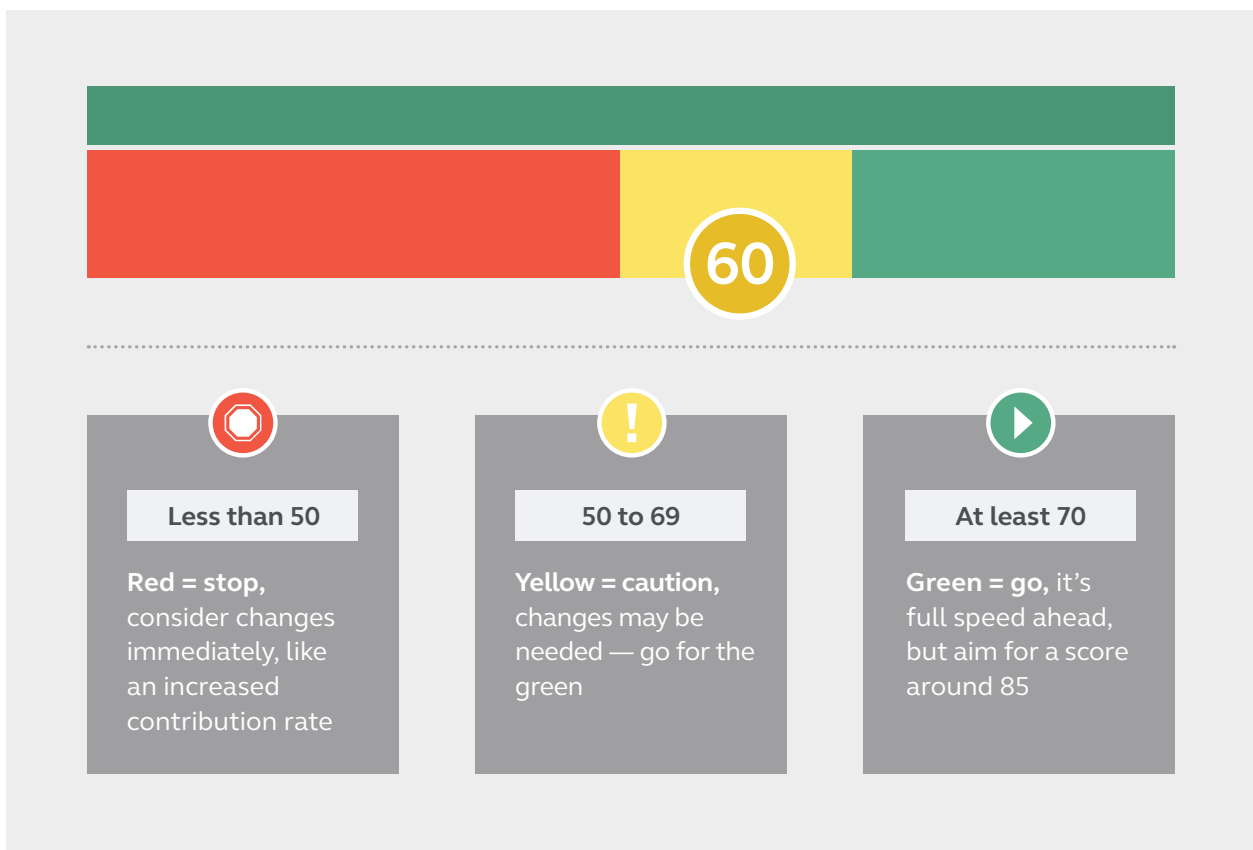
There's no better time than now to get started. Visit principal.com/myscore.

Find your score

Your Retirement Wellness Score is the quickest way to know if you're on track for retirement.

It's:

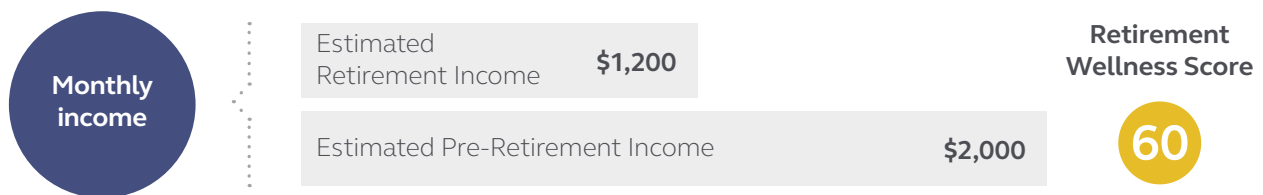
- › **Personalized** to you and calculated using information like your account balance, contribution level, annual pay and an estimate of income from other sources like Social Security or a pension, in addition to certain assumptions.
- › **Easy to understand** because it uses a basic **scale of 1 to 100** in conjunction with intuitive colors that help you quickly understand where your score lands. The higher the score the better, and each color provides clear-cut action prompts.



What does your score mean?

The score is **an estimate of how much of your pre-retirement income may be replaced by the income you are estimated to have in retirement.** Seeing the comparison may help you determine if you're saving enough.

Take the example below. If you have a Retirement Wellness Score of 60, this means you may only be able to replace 60 percent of your estimated income (prior to retirement) with the estimated income you may have during retirement from your savings and other income sources:



Studies suggest achieving a score of at least 70-85 in order to maintain your current lifestyle once you retire.¹ Recognize that the lifestyle you want in retirement may not match your current lifestyle. You may wish to:

- 70** Aim for at least 70 by **spending less** and maintaining good health.
- 85** Focus on at least 85, which could allow you to **live similarly to the way you do now.**
- 100+** Take a look at 100-plus, which might allow you to take up some **new hobbies and travel more.**



Check out your score and take the first step toward a more secure retirement.
Visit principal.com/score.

¹ Aon Consulting's 2008 Replacement Ratio Study™ www.aon.com/about-aon/intellectual-capital/attachments/human-capital-consulting/RRstudy070308.pdf

Morningstar — Estimating the True Cost of Retirement (2013)

Get started

Log on to your retirement account to see your Retirement Wellness Score. Your most important retirement savings information for this account appears right on your personalized account home page along with interactive features and planning tips.

Note: In some cases, you may need to unlock your score by providing some additional information.

The screenshot displays a Principal 401(k) Account dashboard. At the top, there is a navigation bar with 'Principal', 'My Accounts', 'Help', 'Messages', 'Profile', and 'Log Out'. The account name is '401(k) Account' for 'Franklin Login - ABC DEFINED CONTRIBUTION PLAN'. The dashboard is divided into several sections:

- Account Balance:** Shows a total balance of **\$132,043.92** as of Feb 21, 2017. It includes a table with Vested Balance (\$80,880.29), Estimated Income Each Month in Retirement (\$2,875), Personalized Rate of Return (4.3% since 01/01/2016), and Gain/Loss (\$2,572.13 since 01/01/2017). A line chart shows performance from Feb 2015 to Feb 2017.
- Take Action:** Prompts the user to 'Have other retirement accounts or IRAs to rollover?' with a 'Transfer Other Accounts' button.
- My Virtual Coach:** A section titled 'Franklin, make your retirement planning interactive and fun.' with a 'Give My Virtual Coach a try' link.
- Retirement Wellness Score:** Shows a score of **69** (Yellow). A message says 'Yellow is a solid start. Now try using the Retirement Wellness Planner and go for green!'. It explains that the score is an estimate of pre-retirement income and suggests a score of at least 70-85 for retirement readiness.
- Contributions:** Shows a 'Pre-Tax Contribution Amount' of \$52.50 every two weeks at 3%. It includes an 'Annual Increase' slider set to 1% and a 'Save Changes' button. A warning states: 'You're not contributing enough to get the full employer match!'. Below are three boxes: 'You Need \$2,934/month in retirement', 'We Estimate You Will Have \$2,875/month in retirement', and 'You May Be SHORT \$59/month in retirement'.

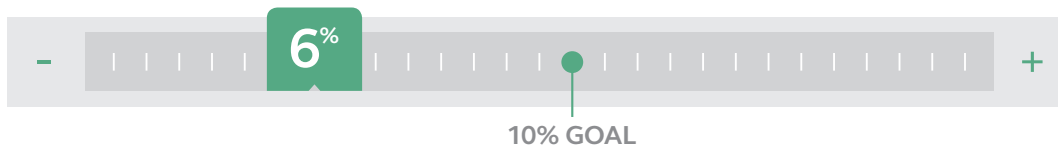
This image is for illustrative purposes only. Your account page may not have all the same inputs because it is personalized to your details.

Take steps to improve your score

Take action today to get on track for tomorrow.

Now you know how to find your score, but don't stop there. Whether your score is red, yellow or green, it's important to know what impacts your score — and ultimately your retirement.

One of the most impactful ways to move your Retirement Wellness Score is to increase your contributions to your employer's retirement plan. According to our analysis you may need to save at least 10 percent of your pay, plus employer contributions, throughout your career to have enough income in retirement. Each individual's situation is unique, so savings and post-retirement needs may differ.²



Are you saving 10 percent? Consider increasing your deferral to 10 percent now, or if you can't push to the full 10 percent right away, consider starting with a smaller amount.

Even if you're already contributing, consider these additional contribution amounts below and the extra monthly income you may have if you make the increase. These are based on standard assumptions like a \$35,000 annual income. To get a more personalized, detailed view of your situation and to see how these small increases can impact your personal score, log on at principal.com/score.

Additional contribution	Reduction in bi-weekly take-home pay	Estimated additional monthly retirement income
5%	\$50	\$933
3%	\$30	\$560
2%	\$20	\$373
1%	\$10	\$187

The more years you have until retirement, the more impact even a small change can have.

For those nearing retirement, don't forget to take advantage of catch-up contributions you may be able to make at and after age 50.

This example is for illustrative purposes only. It assumes \$35,000 in annual income, 3.5 percent annual wage growth, 30 years to retirement, 7 percent annual rate of return and a 25 percent tax bracket. Estimated monthly retirement income calculations assume a 4.5 percent annual withdrawal in retirement. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Reduced take-home pay is accurate for the initial year and would change based on participant's annual pay. Estimated savings amounts shown do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

² Based on analysis conducted by the Principal Financial Group®, October 2015. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; a combined individual and plan sponsor contribution of 12 percent; Social Security providing 40 percent replacement of income; 7 percent annual rate of return; 2.5 percent annual inflation; and 3.5 percent annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 85 percent of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs.

What else can I do?

It's the little steps like increasing your contribution rate that can make the biggest difference, but other planning details can also affect your score. Check out the Retirement Wellness Planner to learn more. **Simply click the Launch the Planner button or Retirement Wellness Planner link on your homepage.**

This interactive online planning feature helps you see where you — and your savings — may be headed. It can help you manage, visualize and plan your retirement goals so you can get and stay on track for the future.

A

Planning & Account Inputs

Adjust basic information like your annual pay, contribution amount or how often you're paid.

- Contribution amounts (Both pre-tax and Roth, if available)
- Current annual pay and pay period

B

Other Retirement Income & Savings

Take a look at how other savings might impact your score.

- Additional retirement savings (like IRAs, accounts with previous employers, etc.)
- Defined benefit pension plan
- Other income (such as guaranteed income, etc.)
- Social Security

Planning & Account Inputs

Pre-Tax Contribution Amount ⓘ
\$52.50 every two weeks

3% 6% 10%

⚠️ You're not contributing enough to get the full employer match!

Roth Contribution Amount ⓘ
[View Options](#)

Your Current Annual Pay ⓘ
Paid Hourly? Try our annual pay calculator >
\$ 45,500

How Often Are You Paid?
Every Two Weeks

[Clear Changes](#) [Save Changes](#)

Other Retirement Income & Savings

Household Inputs

Advanced Planning Inputs

Retirement Wellness Score ⓘ

69

Household Score ⓘ

You Need ⓘ

\$2,934/month
in retirement

If you spend this much, your savings may run out by age 85.

We Estimate You Will Have ⓘ

\$2,875/month
in retirement

You May Be SHORT

\$59/month
in retirement

Account Balance

ESOP Account Retirement Account Additional Savings Retirement

All amounts illustrated in this chart are estimates.

[Asset View](#) [Income View](#) [Today's Dollars](#) [Future Dollars](#)

C

Advanced Planning Inputs

You can even adjust finer details like retirement age or investment rate of return.

- Desired retirement age
- Desired income in retirement
- Annual rate of inflation
- Annual rate of return
- Employer match
- Additional employer contributions
- Pay increase per year

The scenario on these pages is for illustrative purposes only. Online, you may see other inputs or details personalized to you and your employer's plan.

You can make the planner even more powerful by personalizing it to reflect your full retirement picture. Use the charts below as a guide for the details you may need for the online planner you see on the prior page.

1 | Confirm your basic information.



Are your annual pay and pay period correct?

2 | See the impact to your score by adding in other retirement savings and income.

What other retirement savings or assets do you have?

Think about retirement savings you may have with previous employers, personal IRAs, etc.



Do you have any sources of retirement income?

Include any guaranteed income products or previous pension plans.



Does your employer offer matching or other contributions?



3 | Adjust your finer personalized details. The planner starts with some defaults and assumptions, but you can easily adjust those to reflect your personal situation.

How much Social Security benefit might you have?

Your estimated benefit in the planner may already be defaulted. If it isn't, or if you want a more detailed projection, visit ssa.gov.



What investment and inflation rates do you feel will apply?

The planner starts with 7% rate of return and 2.5% rate of inflation, but you can easily adjust those.



What kind of pay increases do you expect?

The planner assumes you'll experience a 3.5% pay increase annually, though you can adjust that according to your situation.





Simple tips to help improve your score

The simplified retirement planning you’ve just read about is only one piece of your bigger financial picture. If you want to continue to improve your score, consider using these tips — they may enhance your financial life and impact how much you’re saving for retirement.



Put saving first. A good tip for saving is to always pay yourself first. Commit to saving a certain amount every month, just as you pay other bills. One simple way to do this is to contribute more to your employer’s retirement plan.



Create a monthly budget. A monthly budget should include saving for both short- and long-term financial needs.



Make a plan to reduce debt. In order to achieve your retirement goals, you must deal with debt, especially credit card debt. Pay down your balances or consider consolidating what you owe to pay it off faster.



Learn about Social Security benefits. Higher lifetime earnings may mean higher benefits when you retire. If you continue working after reaching your full retirement age, you’ll add more earnings to your Social Security record. For more information, visit [ssa.gov](https://www.ssa.gov).



Talk with your financial professional. Use your new understanding of your score and planning details to talk with your financial professional about your long-term goals.



Find your
score today

principal.com/myscore



This document is intended to be educational in nature and is not intended to be taken as a recommendation.

The Retirement Wellness Planner information and Retirement Wellness Score are limited only to the inputs and other financial assumptions and is not intended to be a financial plan or investment advice from any company of the Principal Financial Group® or plan sponsor. This calculator only provides education which may be helpful in making personal financial decisions. Responsibility for those decisions is assumed by the participant, not the plan sponsor and not Principal®. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs.

Insurance products and plan administrative services are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (Principal®), Des Moines, IA 50392.

PT377-04 | © 2017 Principal Financial Services, Inc. | 03/2017 | t1702240612