Principal®

# Pricing guide:
## Plans up to $1 million

### Working with a third party administrator (TPA)

Principal® Flex
Principal® Flex – Open

Intended for financial professional use.

**Startup and growing businesses face a lot of challenges—and taking care of employees may be a big one. But it doesn't have to be. We focus on businesses and tax-exempt organizations of all sizes. And we have options for retirement plans and services that may be just what your clients are looking for.**

Cost is an issue, so be aware of the tax advantages of starting a retirement plan. Following passage of the SECURE Act, an increase in the startup tax credit of up to $5,000 may be available in each of the first three years—consult a tax advisor for specifics.

## COMMON ELEMENTS

Based on zero revenue sharing investment options, but other share classes and rate levels are available. Investment option costs are additional and will vary based on share class and rate levels selected.

Easily add a compatible investment fiduciary service.

Comprehensive administrative support services which are backed by our service warranty.[1]

Flexibility in collection of administrative costs.

Flexibility in advisor compensation arrangements: fee-based and flat commission-based scales are available.

# FEES[2]

## Principal® Flex

**Sub-advised investment option lineup[3,4]**

Choose an investment lineup from our extensive sub-advised investment option platform.

Scalable for transition to Principal® Flex – Open.

| Total plan assets[5] | Flat annual fee[6,7] | Annual per participant fee[8] | Asset charge |
|---|---|---|---|
| Under $300,000 in plan | $2,800 | $25 | 0.40% |
| $300,000 to $1M in plan[9] | $1,600 | $25 | 0.40% |

## Principal® Flex – Open

**Small market open architecture approach lineup[3,4]**

Choose investment options from Principal® or other investment providers.

| Total plan assets[5] | Flat annual fee[6,7] | Annual per participant fee[8] | Asset charge* |
|---|---|---|---|
| Under $300,000 in plan | $3,800 | $25 | 0.40% |
| $300,000 to $1M in plan[9] | $2,600 | $25 | 0.40% |

* For target date transition with Principal target date series: 0.07% discount[3, 4, 10,11]

## Fee payment options

When it comes to how your client wants to collect and pay the administrative costs of the retirement plan, we're flexible. Use any—or a combination—of these methods:

Reduce the investment returns participants receive (at pro-rata rate)[12]

Pay by plan sponsor[13]

Deduct monthly from participant accounts (as a flat dollar or pro-rata rate)

## Compensation for financial professionals

These retirement plan packages are based on a modern approach to compensation that makes it clear to separate costs related to recordkeeping versus investment options and compensation. Features include:

Pricing baseline of zero revenue sharing investment options.

Flexibility in compensation arrangements: support of fee-based and commission-based.

Compensation is not included in any of the fees reported here.

## Participant transaction fees

These fees are deducted from a participant's account when a service is provided.

| Service | Fee |
|---|---|
| Loan origination | $75 |
| Loan maintenance ($12 deducted quarterly) | $48 |
| Distribution (per distribution) | $50 |
| Qualified domestic relations order (QDRO) processing (per event) | $350 |
| Overnight mail, stop payment, or wire transfers (per request) | $25 |
| 402(g) deferral contribution refunds in excess of IRS limits (per event) | $50 |

## Additional costs:

Optional services are available.



For additional help, call us today: **800-952-3343**

# ASSUMPTIONS



**Participant statements.** Quarterly participant statements are available electronically.[14] Participants or their plan sponsors may elect to receive paper statements at no additional cost, which will be sent to the plan sponsor.



**Electronic submission.** All data must be submitted electronically. This includes enrollment (via telephone or online at principal.com), salary deferrals, benefit events, employer contributions, and loan payments. We provide enrollment workbooks.



**Beneficiary records.** Beneficiary designations may be submitted electronically on the employer or participant website. If the participant completes a paper beneficiary form, the plan sponsor must maintain the records.



**Investment management fees.** Investment management fees are not included in fee illustrations. Please see the investment performance insert in the proposal.

[1] Terms and conditions apply. For informational purposes only and does not affect any term or provision of the service warranty. For service warranty details see the Service Warranty Attachment to the Service and Expense Agreement or the Principal Service Warranty standalone document.

[2] Fees reported here are current as of January 1, 2023.

[3] The appropriate plan fiduciary is responsible for choosing appropriate investment options for the plan and ensuring that plan expenses are reasonable. A financial professional, assisting a plan sponsor with identifying investment options for its retirement plan, needs to ensure he or she is making suitable recommendations for the plan. Please see the investment performance insert for investment options available and total investment expenses – net/gross.

[4] Plan fiduciaries should consult with their ERISA counsel and/or financial professional to ensure that the transition option and investment options selected are appropriate for their individual plans.

[5] "Total plan assets" means total plan assets recordkept by Principal Life and includes transfer funds plus one year of deposits. For annual pricing, total plan assets are defined by assets recordkept by Principal Life at time of annual pricing. Employer stock, self-directed brokerage accounts or other outside accounts are not eligible for recordkeeping by Principal Life and are excluded.

[6] Custodial Services are provided by Principal Trust Company® and fees for services are included for Principal® Flex – Open. They are not included in pricing for Principal Flex unless Principal Fixed Income Guaranteed Option (PFIGO) is chosen for the plan's investment lineup. Directed Trust services are provided by Principal Trust Company and are available for an additional fee.

[7] Annual administrative costs include the flat annual fee, annual per participant fee and asset charge based on "total plan assets". Additional optional services elected will be in addition to these annual fees.

[8] Annual per-participant fee applies to those in the plan with an account balance.

[9] When total plan assets recordkept by Principal Life exceed $1 million, this pricing methodology no longer applies, and the next annual pricing will be based on: core services, services selected, investment allocation and plan characteristics such as assets being recordkept by Principal Life, participants and annual deposits.

[10] Target date transition includes Principal LifeTime portfolios and Principal LifeTime Hybrid portfolios. Each series is the equivalent of one investment option. They may qualify for fiduciary protection and as a QDIA transition if QDIA requirements followed. The ultimate decision as to whether an asset allocation/investment option is an appropriate investment for a plan and whether it can serve as a QDIA belongs to the appropriate retirement plan fiduciaries.

[11] The first year of the target date transition option fee reduction may be more or less than 12 calendar months. If Principal begins providing services to the plan within three months of the annual review period, the plan will not be reviewed until the next annual review period. The Lifecycle Direction transition option fee reduction applies until the plan's third annual expense review. The stated pricing will apply unless the client experiences a Major Business Change which may include, but is not limited to: a change of plan type, plan or annuity contract termination or spin-off; plan mergers/spin-offs, a greater than 50% change in the value of the plan assets or the number of Participants, a change in Acknowledgement of Compensation and Contract Information; and adding or removing investment options.

[12] If elected, annual services fee and annual plan fees are netted monthly from the rate of investment return for all investment options in the participants' accounts. (Annual plan fees are converted to basis points by dividing the dollar amount of annual plan fees by the dollar amount of total plan assets at the time of annual pricing review.) 1/12 of this amount will be netted each month from the rate of investment return for all investment options on a pro rata basis.

[13] If elected, the annual services fee and annual plan fees are billed and paid directly each quarter by the plan sponsor through EFT. (The annual services fee is converted to a dollar amount by multiplying the basis points by total plan assets, and 1/4 of this fixed dollar amount is billed each quarter.)

[14] Plan fiduciaries should consult with their ERISA counsel to ensure that the use of electronic media to meet notice requirements is appropriate for their individual plans.

## Important information

Sub-Advised Investment Options include Separate Accounts available through a group annuity contract with Principal Life Insurance Co. Principal Funds Distributor mutual funds are distributed by Principal Funds Distributor, Inc. Principal Global Investors Trust Company Collective Investment Funds (CITs) available through a participation agreement with the Trust Company. The managers used within our sub-advised investment options can change at any time. Review each investment option for applicable investment manager or investment manager defined by ERISA.

Principal Fixed Income Guaranteed Option (PFIGO) is the Group Annuity Contract – Custodial Guaranteed Interest Contract available through Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, Iowa 50392.

Principal Comprehensive Retirement Program (PCRP) is offered through the Modular Group Annuity Contract available from Principal Life Insurance Company, Des Moines, Iowa 50392.

Each Principal Strategic Asset Management Portfolio is available through a Separate Account or Principal Funds, Inc. mutual fund. Principal Strategic Asset Management Separate Accounts are made available through a group annuity contract with the Principal Life Insurance Company. Certain investment options and contract riders may not be available in all states or U.S. commonwealths.

Insurance products and plan administrative services provided through Principal Life Insurance Company®. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., member SIPC and/or independent broker/dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, Iowa 50392. Certain investment options and contract riders may not be available in all states or U.S. commonwealths. Separate Accounts are available through a group annuity contract with Principal Life Insurance Company. See the group annuity contract for the full name of the Separate Account. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as permitted by the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity and other risks inherent in real estate (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

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