

Building tomorrow's health care workforce

Using retirement plan insights to help recruit and retain team members

Knowledge and experience along with data can create certain assurances.

Just as you'd seek out a cardiologist for their expertise to manage your heart health—so can you find a retirement provider experienced in the Health Care industry to help with the financial health of health care workers.

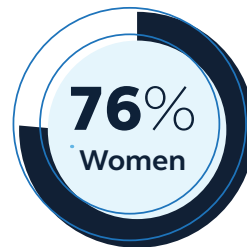
Building powerful retirement plans tailored for the health care industry

Health care workers are highly skilled professionals. They take vitals with ease, operate complex machinery, and perform surgery with the utmost confidence. But ask them about their retirement account, investments, and if they're on track to have enough saved for retirement and their confidence may turn into uncertainty and doubt.



OUR DATA TELLS THE STORY ABOUT HEALTH CARE WORKERS

They have specific financial needs compared to those in other industries^{1,2}

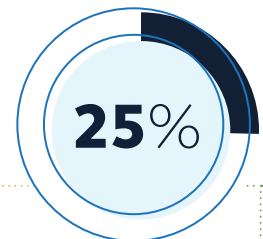


1 in 3
STRESSED
about
their daily
finances



3X

MORE LIKELY
to say debt
is a major
problem



WITH DEBT
have student
loans



TYPICALLY

have lower engagement
with the retirement plan



OUR DATA TELLS THE STORY ABOUT HEALTH CARE WORKERS

They lack confidence when
it comes to finances and
saving for retirement^{1,2}

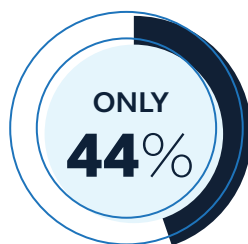


COMFORTABLE
with the retirement
planning process



2 in 3

say they're
not saving
enough for
retirement
or JUST
NOT SURE



COMFORTABLE
they'll reach
their retirement
financial goals

Maximizing plan design to help meet goals

It's possible to boost your ability to recruit and retain talent through plan design. Alternative strategies exist to use the money you already spend on the retirement plan in ways that may allow you to recruit faster and retain team members longer. Such concepts may branch outside of pure retirement, including student debt assistance, retention bonus plans, SuperRoth, and more.

Design retirement plans that make it easier for team members to save and invest. Provide them assurances that the plan is designed to help them save enough in retirement to meet their goals.

Focus retirement plans to include:

- ✓ Immediate eligibility
- ✓ Employer match. Designed to nudge participants to defer at a higher percentage
- ✓ Automatic enrollment with a minimum 6% deferral.
- ✓ A target date fund for the Qualified Default Investment Alternative (QDIA)
- ✓ Annual automatic increase of the deferral rate of at least 1% up to a max of 15%.
- ✓ An annual sweep of those not participating to automatically enroll them into the plan.

Using our data to help create better outcomes¹

Our health care clients compared to other industries:

41% higher average default deferral

1 in 4 automatically increase deferrals annually by 2%

Our health care participants compared to other industries:

1 in 3 have a deferral rate of 6% or higher

82% are in a target date fund

25% more likely to be super savers³



OUR DATA TELLS THE STORY ABOUT HEALTH CARE WORKERS

They want to know someone's looking out for them^{1,2}



FEEL THEIR EMPLOYER CARES about their financial well-being



HEALTH CARE WORKERS say they'd leave their current employer for better retirement benefits

Creating a culture that inspires financial health²

It's also important to show team members that their employer cares about their financial wellbeing. Here's what our research discovered health care team members are interested in:

- ✓ Estate planning/will preparation
- ✓ Access to a financial professional
- ✓ Emergency savings programs

They're busy! Checking on their retirement fund isn't top-of-mind for health care workers. According to our research, here's how they want to stay connected with their retirement account:

- ✓ Personalized emails from plan provider
- ✓ Email newsletters from plan provider
- ✓ One-on-one meetings

Experience helps meet the unique retirement needs of the health care industry

Just as health care workers are specialists in their profession—so are certain providers when it comes to retirement. Industry experience and knowledge can help you with:

- Understanding the competitive landscape and how retirement programs can be designed to aid with recruiting and retaining key talent.
- Align entire benefit programs to align with overall employer goals and objectives.
- Analyzing possible cost savings by consolidating plans or shifting employer match to education reimbursement, or other innovative ideas.
- Mergers and acquisitions support, including help with compliance, and plan design to coordinate a variety of plan types.
- Managing multiple plan types using a single service provider to streamline administration.
- Defined benefit/pension plans. Ways to help manage volatility and plan costs.
- Nonqualified deferred plans and/or equity compensation implementation and administration.
- Access to financial wellness programs: Student loan repayment, will preparation, estate planning, debt management, investment education, and more.

Get more...

Tools and resources on our [health care website](#) where you'll find case studies, demos, videos, webinars, etc. See how we've taken our health care data and knowledge to provide retirement plans that likely make team members do a double take when looking for employment.



About Target Date investment options:

Target date portfolios are managed toward a particular target date, or the approximate date the investor is expected to start withdrawing money from the portfolio. As each target date portfolio approaches its target date, the investment mix becomes more conservative by increasing exposure to generally more conservative investments and reducing exposure to typically more aggressive investments. Neither the principal nor the underlying assets of target date portfolios are guaranteed at any time, including the target date. Investment risk remains at all times. Asset allocation and diversification do not ensure a profit or protect against a loss. Be sure to see the relevant prospectus or offering document for full discussion of a target date investment option including determination of when the portfolio achieves its most conservative allocation.



¹ Principal health care client data reporting as of Dec. 31, 2021

² Principal health care survey, March 2022; 75 health care retirement plan sponsors, 998 health care workers

³ Principal defines super savers as those who save 90% or more of the IRS maximum contribution or defer 15% or more of their salary to their defined contribution account.

Investing involves risk, including possible loss of principal.

Asset allocation and diversification does not ensure a profit or protect against a loss. Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed income investments are subject to interest rate risk; as interest rates rise their value will decline. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. These risks are magnified in emerging markets.

There is no guarantee that a target date investment will provide adequate income at or through retirement. A target date fund's (TDF) glide path is typically set to align with a retirement age of 65, which may be your plan's normal retirement date (NRD). If your plan's NRD/age is different, the plan may default you to a TDF based on the plan's NRD/Age. Participants may choose a TDF that does not match the plan's intended retirement date but instead aligns more to their investment risk. Compare the different TDFs to see how the mix of investments shifts based on the TDF glide path.

The subject matter in this communication is educational only and provided with the understanding that Principal® is not rendering legal, accounting, investment, or tax advice. You should consult with appropriate counsel, financial professionals, or other advisors on all matters pertaining to legal, tax, investment, or accounting obligations and requirements.

Insurance products and plan administrative services provided through Principal Life Insurance Company®, a member of the Principal Financial Group®, Des Moines, Iowa 50392.

Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and services marks of Principal Financial Services, Inc., in various countries around the world.