

Simply Retirement
by Principal[®]

Small business retirement plans made **simple**





Reach more of the small business market

Research tells us small businesses often start retirement plans to be competitive and recruit and keep employees—and because they feel it's the right thing to do. Yet more than 57 million employees lack access to a retirement savings plan in their workplace.¹

Meet Simply Retirement by Principal®. A 100% digital solution that allows you and your small business clients to find, set up, and manage an affordable 401(k) plan online. This packaged, affordable solution helps make it easy to design a plan without investing a lot of time and resources.

Simply Retirement
by  Principal®



A solution for new small business 401(k) plans

We know you're busy and your time is limited. And that can make it hard to find ways to grow your practice. Let us help. Simply Retirement by Principal® is an intuitive, affordable, effective, and completely digital retirement plan product—designed for your small business clients. Here are some of the top benefits that set this solution apart:

Designed for small businesses.

Simply Retirement by Principal® was created for businesses with fewer than 100 employees. This digital process simplifies and makes it easier to design plans for this historically underserved group of customers.

Financial professionals and third party administrators welcome.

This platform is designed to support you by simplifying the 401(k) plan design and onboarding process with an online experience that eliminates steps and saves you time.

Shared fiduciary responsibility.

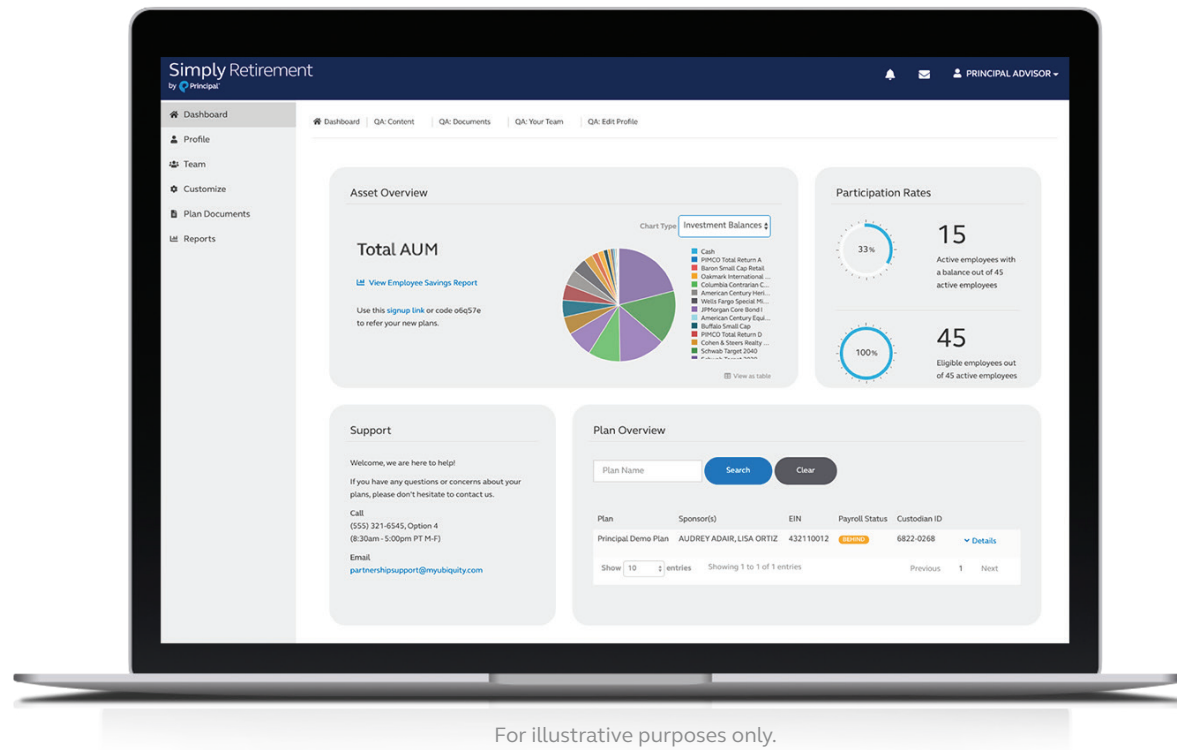
Wilshire Associates, Inc. is the 3(38) investment fiduciary, so you and your clients don't have to worry about choosing investment options.

Groundbreaking technology.

In conjunction with Ubiquity Retirement + Savings®, Simply Retirement by Principal® uses Ubiquity’s proprietary, cloud-based, automated recordkeeping system. From signing documents to onboarding employees, it’s a streamlined online process—but there’s a team of people just a phone call or email away if you need help.

Built on experience.

Simply Retirement by Principal® is backed by more than 75 years of Principal® retirement and financial expertise. With more than 9.1 million retirement plan participants, Principal has worked with organizations of all sizes and understands the needs of small businesses.² And Ubiquity has a 20-year track record with its digital platform—which is used by more than 10,000 small businesses.³



For illustrative purposes only.

Tax incentives available



The Simply Retirement by Principal® 401(k) plan design allows employers to easily take advantage of the tax incentives of the SECURE Act. With this 2020 legislation, small business owners (no more than 100 employees) can receive a tax credit for 50% of their costs for starting a retirement plan (up to a \$5,000 tax credit each year for three years).^{*} The one-time \$500 startup fee and the monthly subscription fee for the Simply Retirement by Principal® 401(k) plan may qualify for this credit—as well as the monthly \$6 per participant fee if the business owner pays it on their employees’ behalf.

Business owners can also get up to a \$500 tax credit for three years for including an Eligible Automatic Contribution Arrangement—another feature of this 401(k) plan.⁴

^{*}50% of the qualified startup costs paid or incurred, but limited to the greater of (1) \$500 or (2) the lesser of (a) \$250 for each non-highly compensated employee who is eligible to participate in the plan or (b) \$5,000.

Simple, low-cost pricing

Simply Retirement by Principal® has flat, straightforward pricing. The recordkeeping fees (\$175 per month, plus \$6 per participating employee per month) don't change as your client's plan assets change. This transparent, predictable pricing makes budgeting easy.

 Upfront	 Every month
<h1>\$500</h1>	<h1>\$175 + \$6</h1>
<p>for every participant**</p>	<p>for every participant**</p>
<p>One-time setup fee</p>	<p>Recordkeeping fee*</p>

Additional fee information

- Custodial fees are 0.05% and investment fees range from 0.03% - 0.94% depending on what each participant chooses for their mix of 401(k) investment options (as of July 31, 2021). These fees, custodial and investment, are charged against participating employees' accounts.
- Custodial fees cover the services of the financial custodian, such as holding plan assets in an account for safekeeping, collecting dividend and interest income, and providing account statements.
- Investment fees cover the cost of managing the investment, including operating expenses, management fees, and administrative fees.

*Billed quarterly. Pricing shown applies when the plan is bundled. TPA pricing is \$135 per month (TPA fees not included).

**Deducted monthly from participating employees' plan assets by default, or billed quarterly if business owner elects to pay this cost on behalf of employees.



What's included

Simply Retirement by Principal® is a streamlined and simplified solution, which includes these plan features:

Enrollment and fee options



Employee fee coverage. By default, the \$6 per employee per month fee is paid out of the employees' plan accounts. But employers can choose to cover this fee for their employees if they prefer.

Automatic employee enrollment. Employees will be automatically enrolled at a default pre-tax contribution percentage set by the employer. Employees can change this amount or opt out at any time. They'll also have contributions directed to the plan's QDIA unless they elect otherwise.

Flexible employee eligibility. Employers choose when their employees will be enrolled in the plan: on their first day of work, after three months of work, or on their first employment anniversary.

Contributions and matching



Safe harbor match (required match) / Non-safe harbor match (not required to match).

Employers aren't required to provide matching contributions, but if they want to, they have options:

Safe harbor match

Employers can safeguard their plan from annual compliance testing by choosing from two safe harbor match options:

- Stretch the match (match the employee's contribution dollar for dollar up to 3% of eligible pay, plus 50¢ for every dollar above 3%, up to 5% of pay)
- Straight dollar-for-dollar match up to 4% of eligible pay

Non-safe harbor match

Employers match the employee's contribution dollar for dollar (and they can choose to do so up to 10% of eligible pay).

Optional automatic contribution increases. Employers can choose to have their employees' contributions remain fixed unless they change them, or auto-escalate 1% each year up to 10%.

Roth contributions. Employees can defer both pre-tax and Roth contributions to their 401(k) plan—giving them more ways to get the most out of their retirement savings.

Profit-sharing flexibility. Employers have the option to contribute company profits back to employees' 401(k) plan accounts.

Payroll provider integrations. Ubiquity supports integrations with select payroll providers—helping employers save time and reduce errors by automating contribution reporting.



Streamlined investment and service offering

Investment option lineups. Financial professionals can select one of the available Wilshire 3(38) investment lineups for each plan. Participating employees have the option to choose their mix of investments from the preselected investment lineup, including U.S. Equity, International Equity, Fixed Income, and Target Date Funds. (See SimplyRetirement.com for more details.) With Wilshire Associates, Inc. as the 3(38) investment fiduciary, this streamlined offering saves you time.

Protection through an ERISA fidelity bond. Employers will get an ERISA fidelity bond (through Surety Bonds Direct) to protect the plan's assets (up to \$250,000 in assets, which equals a \$25,000 bond)⁵.

Participant benefits



Immediate vesting. Employees are 100% vested in the 401(k) plan immediately, so employees who leave an employer can take all the assets in their 401(k) account, including contributions made by their employer.

Loans available. Employees can request to take a loan from their 401(k) plan balance and select a loan repayment schedule based on the plan's loan term that best suits them but is no longer than five years.

Financial wellness. Participants will have access to a comprehensive financial wellness platform that provides tools and resources to employees to better manage their current and future financial well-being.

Let's get started.
Visit SimplyRetirement.com.



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¹ Antonelli (2020). What are the Potential Benefits of Universal Access to Retirement Savings? Georgetown University Center for Retirement Initiatives in conjunction with Econsult Solutions, Inc.

² This internal statistical data is as of Dec. 31, 2020, and representative of plan services on the Principal and Wells Fargo IRT systems. Please note: adding numerical data together may not show a true representation of data.

³ As of June 2021.

⁴ Up to \$500 per tax year for each year of the 3-taxable-year period beginning with the first taxable year for which the employer includes an eligible automatic contribution arrangement. This credit is for plans that include the eligible automatic contribution arrangement (EACA) feature only. The subject matter in this communication is educational only and provided with the understanding that Principal[®] is not rendering legal, accounting, investment advice or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, investment or accounting obligations and requirements.

⁵ For the first three years, Ubiquity Retirement + Savings will cover the cost of an ERISA fidelity bond up to \$250,000 in assets (which equals a \$25,000 bond). After three years, a renewal letter will be sent and the business owner can choose to accept the renewal at their own expense, or consult with their financial professional and/or TPA in choosing another bond provider.

Qualified startup costs: (1) In general “qualified startup costs” is ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with (i) the establishment or administration of an eligible employer plan, or (ii) the retirement-related education of employees with respect to such plan. (2) Plan must have at least 1 participant: would not apply if plan does not have at least 1 employee eligible to participate who is not a highly compensated employee.

Ubiquity Retirement + Savings, Wilshire Associates, Inc., and Surety Bonds Direct are not affiliates of any company of the Principal Financial Group.

Simply Retirement by Principal[®] 401(k) plan recordkeeping and administrative services are provided by Decimal, Inc. dba Ubiquity Retirement + Savings[®] (“Ubiquity”). Ubiquity is not affiliated with any plan and investment administrative services provided through Principal Life Insurance Co. or affiliated with any company of the Principal Financial Group[®]. Principal makes available the investment options for customers to select through Simply Retirement by Principal[®]. All other services provided by service providers not affiliated with any company of the Principal Financial Group. Refer to related documents and agreements for more details on plan services available.

Simply Retirement by Principal[®] requires a client service agreement between Ubiquity and the plan sponsor (Customer). In addition to and as part of the services, each Customer will sign separate agreements with the following parties: (i) custodian - Matrix (ii) 3(38) investment manager - Wilshire Associates, Inc., and (iii) Principal Life Insurance Company, a Comprehensive Retirement Program (PCRP) offered through the Modular Group Annuity Contract for separate accounts, and a declaration of trust for Principal collective investment funds. Simply Retirement by Principal[®] services, costs, and resources are subject to change.

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

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