

# Pay off student debt or save for retirement?

## Why not both?



Paying down your student loan debt doesn't have to mean sacrificing your retirement savings. As a benefit to you, your employer is proud to offer a program that will allow you to tackle your debt and save for retirement at the same time.

## Here's how it works:

Employees making qualified student loan payments are eligible for the company's matching contributions. This means if you pay a certain percent of your eligible pay toward your student loans, your employer will contribute up to the maximum matching contribution allowed under the plan rules into your retirement account, allowing you to pay off your student debt while you save for your future.

With this benefit, you have the flexibility to manage your debt and savings your way. And getting started is easy.



Log in to your [principal.com](https://principal.com) account (Under "Contributions," select "Qualified student loan payments") to certify your qualified student loan payments.

## Let's look at a few examples of how this might apply to your situation:

**James** has been prioritizing saving for retirement and earns the full company match, in addition to making his student loan payments. Now, he can take advantage of student debt retirement benefits for additional flexibility in his budget.

**Caitlin** has been making student loan payments and saving in her retirement account but wasn't able to save enough to maximize the company match. With qualified student loan payment matching, her employer will treat her loan payment as an additional contribution to her retirement account, allowing her to now earn the full company match.

**Steven** has been prioritizing student loan payments and hasn't been able to save in his 401(k) account at all. With qualified student loan payment matching, his employer will contribute into his 401(k) account up to the plan's maximum match percentage while he pays down his debt.



## Questions?

Call Principal® at **800-547-7754**. Retirement specialists are available Monday to Friday from 7 a.m. to 9 p.m. CT.

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Plan features in this communication are current as of January 2024. The legal plan document governs the employer's plan. If any discrepancies, the legal plan document will govern.

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