



# Want to save more for retirement?

Catch-up contributions may be the answer.



## Not sure you saved what you needed while you were younger?

It's okay. You still have a chance to catch up.

If you're age 50 or over:

The IRS says this is how much you can contribute to the employer-sponsored retirement plan in 2020.<sup>1</sup>



And here's how much you can contribute to a traditional or Roth Individual Retirement Account (IRA).



## How do I know if I should make catch-up contributions?

You may need to save 10% plus any additional contributions in order to replace about 80%<sup>4</sup> of your pre-retirement income.

**If you've been saving less than 10 percent, you might want to consider catching up — and making up for lost time.**

Log in to **principal.com** if you want to start catching up.

In the Contributions section of your account home page, click “Manage Other Contributions.” Then click “Change Your Contribution Rate” to elect catch-up contributions.



### Any questions?

Retirement specialists are ready to help. Give us a call at 800-547-7754.

<sup>1</sup>Internal Revenue Service limits as indexed for the 2020 calendar year. For IRS contribution limits in future years, go to IRS.gov. Catch-up contributions are not allowed in all retirement plans.

<sup>2</sup>Some retirement plans cap the limit at a lower amount, so make sure you look into the plan's details.

<sup>3</sup>Deductibility of contributions to an IRA may be limited by participation in other retirement plans.

<sup>4</sup>Based on our industry experience and GAO Retirement Security Report to Congressional requestors. The estimated average total spending for post-retirement households was about 77 percent of the spending levels for pre-retirement households. GAO, 2013 CE Data; 16-242, Retirement Replacement Rates.

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