Principal® Deferred Income Annuity

Submission guidelines

Illustration must be submitted with the application to receive the lock-in rate.

Minimum premium	• $10,000
Subsequent minimum premium	• $2,000[1]
Maximum total premium (equals initial and any subsequent premiums)	$2 million (up to $5 million with Principal Life Home Office approval) • **The maximum QLAC purchase payment limit is the lesser of:** – $135,000, or – 25% of your IRA balance as of 12/31 of the prior year[2]
Maximum issue age	• **Nonqualified:** 0-93 • **Qualified:** 0-68 • **QLAC:** 0-82
Income payment deferral	**Minimum deferral period:** 13 months **Maximum deferral period:** • **Nonqualified:** earlier of 30 years or age 95 • **Qualified:** earlier of 30 years or age 70½ • **QLAC:** earlier of 30 years or first day of the month following the owner reaching age 85
State approvals	Principal Deferred Income Annuity is approved in all states QLAC is approved in all states

Funds submitted with application

	Total premium $10,000 – up to $2 million	Total premium over $2 million – $5 million	Total premium over $5 million
Due diligence questionnaire required?	No	Yes Contact the Sales Desk at 800-451-5447.	Yes Contact the Sales Desk at 800-451-5447.
Expiration date of illustration[3]	Illustration interest rate is good for 9 calendar days.	Illustration interest rate is good for 24 hours. (Subject to Principal Life Home Office approval.)	Illustration interest rate is good for 24 hours. (Subject to Principal Life Home Office approval.)
Required signature date of application	Application must be signed by the 9th calendar day from date of illustration.	Application must be signed the same day as the illustration date.	Application must be signed the same day as the illustration date.
Timing for receipt of application and funds	14 calendar days from date of illustration.	6 calendar days from date of illustration.	Timing will be determined at time of illustration.

Application and funds for 1035 exchanges, rollovers and direct transfers

	Total premium $10,000 – up to $2 million	Total premium over $2 million – $5 million	Total premium over $5 million
Due diligence questionnaire required?	No	Yes Contact the Sales Desk at 800-451-5447.	Yes Contact the Sales Desk at 800-451-5447.
Expiration date of illustration[3]	Illustration interest rate is good for 9 calendar days.	Illustration interest rate is good for 24 hours. (Subject to Principal Life Home Office approval.)	Illustration is good for 24 hours. Interest rate lock-in capability is not available. (Subject to Principal Life Home Office approval.)
Required signature date of application	Application must be signed by the 9th calendar day from date of illustration.	Application must be signed the same day as the illustration date.	Application must be signed the same day as the illustration date.
Timing for receipt of application and funds	Application must be received within 14 calendar days from date of illustration and funds received within 60 calendar days from signature date.	Application mustbe received within 6 calendar days from date of illustration and funds received within 60 calendar days from signature date.	Timing will be determined at time of illustration.

[1] For subsequent premiums submitted without an illustration, current interest rates will apply. If an illustration is submitted, Expiration Date of Illustration and Timing for Receipt of Funds will follow the same guidelines as listed for Funds Submitted With Application chart.

[2] Additional restrictions may apply. The dollar limit applies across all qualified retirement plans and IRAs (excluding Roth and Inherited IRAs) collectively. The percentage limit applies to each qualified plan separately and to IRAs on an aggregate basis. There are restrictions on how premium limit rules can be applied. There are also restrictions on how qualified plan assets can roll over to a QLAC. It is the client's responsibility to ensure QLAC premium limitations are met. Roth IRAs cannot be treated as QLAC.

[3] Prior to the illustration's expiration date, the interest rate used to calculate your client's income payment is locked in. The income payment illustrated may be lower or higher if changes occur to other variables between the illustration date and the date premium is actually received in Principal Life's home office. Other variables include total premium applied, contract issue date, first payment date and payout frequency and gender/age of annuitants.

Principal®

Principal Life Insurance Company, Des Moines, Iowa 50392-0001, principal.com

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Principal®

Creating a retirement income plan

It can be difficult to know when to retire. In addition to the timing, you need to determine how to invest your money in a way that provides you the opportunity for meeting your retirement income goals.

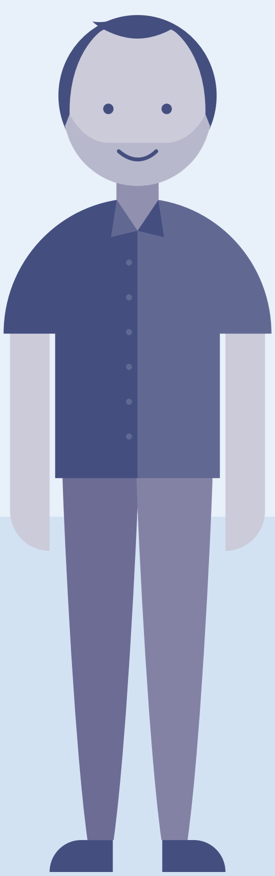
A Principal Deferred Income Annuity℠ can help you create guaranteed income for retirement.*

Meet Jake. He's 60 years old and considering when to retire. He also wants to create an additional $50,000 in guaranteed annual income for life to meet his financial goals.

Combining a Principal Deferred Income Annuity (DIA) with his defined benefit plan and Social Security, can help Jake accomplish his goals.

While your situation may look different than Jake's, the following hypothetical example can be helpful in showing you how this might work.

Jake | Age 60



Has

$500K

in a 401(k) that could be rolled into an IRA

$14,400

annual Social Security benefit at retirement age

A defined benefit plan that offers $25,000 a year, covering a portion of his needs

Needs $50K per year

Goals

Primary — Guaranteed income throughout retirement

Secondary — Investable assets left over for future needs

*Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

Different scenarios for Jake to create $50K and still have money left over to invest.

	Scenario 1	Scenario 2	Scenario 3
	Age 62 Retire earlier than expected	**Age 66** Retire on schedule	**Age 70** Retire later than expected
Defined benefit plan	$25,000	$25,000	$25,000
Social Security	Social Security at 63 = $10,800	Social Security at 66 = $14,400	Social Security at 70 = $19,008
Make up difference with a DIA contract	$14,200	$10,600	$5,992
Principal Deferred Income Annuity purchase	$243,328 (Life with cash refund)	$143,023 (Life with cash refund)	$61,829 (Life with cash refund)
401(k) money to invest in an IRA	$256,672	$356,977	$438,171

This is a hypothetical example for illustrative purposes only. Payout is based on life with cash refund payout option. Rates are subject to change and payout will vary with premium amount, age, gender and annuity income option selected.

As you can see, even if Jake retires earlier or later than planned, he has the potential to accomplish his primary goal by combining the Principal Deferred Income Annuity with Social Security and his defined benefit plan. Depending on how long he delays retirement, he may accomplish his secondary goal as well.

Keep in mind that moving funds out of investments in a 401(k) to purchase a deferred income annuity may result in a loss in potential future earnings as well as some liquidity. However, in exchange for this, you reduce the risk of loss due to a market downturn and guarantee a future income stream. It's important to consider if this trade-off works for your situation.

Selecting the appropriate strategies and timing of your retirement date requires careful planning. Talk with your financial professional to see if a Principal Deferred Income Annuity is right for you.

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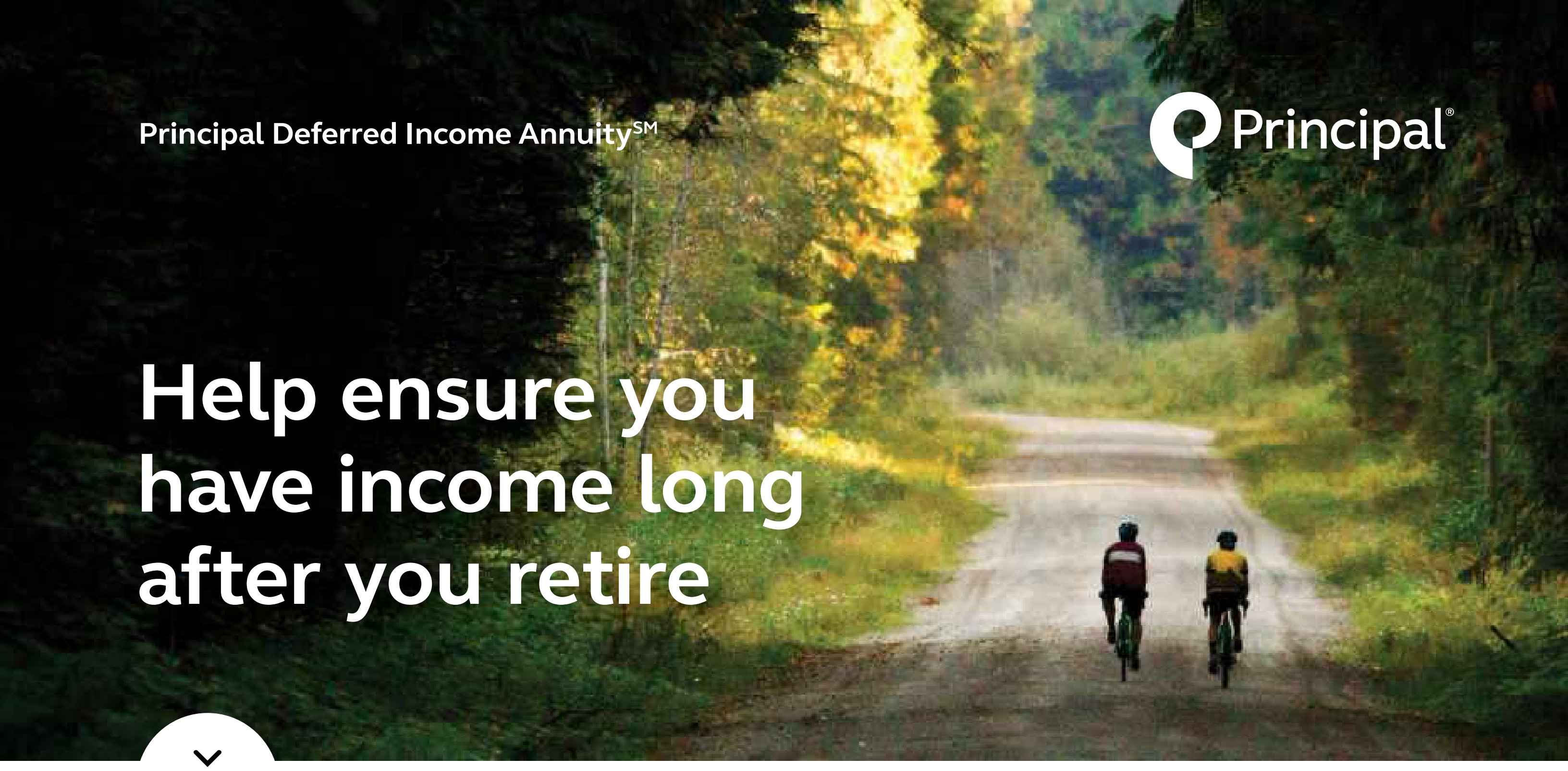


Principal Deferred Income Annuity[SM]

Principal®

Help ensure you have income long after you retire

Good news — Americans are living longer than ever. That also means your retirement savings has to last longer. By taking the right steps now, you can create an income plan that helps you prepare for an extended retirement. You may consider purchasing a qualifying longevity annuity contract, or QLAC.

What's a QLAC?

A QLAC is a type of deferred income annuity, allowing you to put money aside to create a guaranteed stream of income in the future. QLACs are specifically designed to help if you are required to take distributions from your qualifying assets, but don't yet need the income.

Retirement and RMDs

If you have qualified assets, you're probably aware that you'll likely need to start taking required minimum distributions (RMDs) from those assets when you turn 70½. This allows the IRS to collect taxes on that deferred income. But you can use a portion of your qualified assets to purchase a QLAC and delay RMDs on that money up to age 85. This accomplishes a couple of things. Because the money put into a QLAC is not included in your RMD calculation, it can lower your immediate tax burden. It then provides a guaranteed stream of income in your later years, when you're more likely to need it. Few qualified investment options offer this opportunity.

Top 3 reasons to consider a QLAC

1. **Defer distributions and decrease current RMDs**
2. **Reduce taxes now**
3. **Create future lifetime income that can enhance financial security later in life**

What does this mean for me and my retirement?

If you have eligible IRA assets (all IRAs except Roth and Inherited IRAs), you can purchase a Principal Deferred Income Annuity[SM] as a QLAC up through age 82. You can defer taking income from your QLAC until the first day of the month following the month you reach age 85. It's important to understand your premium is purchasing future guaranteed income for life. In exchange, you will not be able to withdraw any funds prior to receiving income payments.

How much can I contribute to a QLAC?

Contribution limits can be configured two different ways, and you must use the lesser of the two.

Total QLAC premiums are limited to the lesser of:

25% of your total eligible IRA values, as of 12/31 of the previous year.[1]

or

$130,000

These premium limits could be adjusted by the IRS over time.

[1] The dollar limit applies across all qualified retirement plans and IRAs collectively. The percentage limit applies to each qualified plan separately and to IRAs (excluding Roth and Inherited IRA) on an aggregate basis. There are restrictions on how premium limit rules can be applied. There are also restrictions on how qualified plan assets can roll over to a QLAC. It's your responsibility to ensure QLAC premium limitations are met. Roth IRAs cannot be treated as a QLAC.

Below are two hypothetical examples that show when the dollar amount limit would apply, and when the percentage limit would apply.

If total eligible IRA values are **$400,000**.*

- Percentage limit = $400,000 x **25% = $100,000**
- Dollar limit = **$130,000**
- **$100,000** < **$130,000**
- Since the percentage amount is less than the dollar limit, up to $100,000 can be contributed to a QLAC.

If total eligible IRA values are **$700,000.***

- Percentage limit = $700,000 x **25% = $175,000**
- Dollar limit = **$130,000**
- **$130,000** < **$175,000**
- Since the dollar limit is less than the percentage amount, up to $130,000 can be contributed to a QLAC.

* As of December 31 of the previous year.

QLAC in action

Let's take a closer look at a hypothetical example that shows the tax advantages of deferring income now, and the income advantages of using that money later in your retirement.

- Joe is **68 years old** and has a total of **$520,000** in IRA assets.
- He's in the **32% tax bracket**.

Joe doesn't need income from his RMDs and would like to avoid paying taxes on them. He's also interested in creating future guaranteed income to offset the unexpected expenses and issues that might occur because of a longer life span.

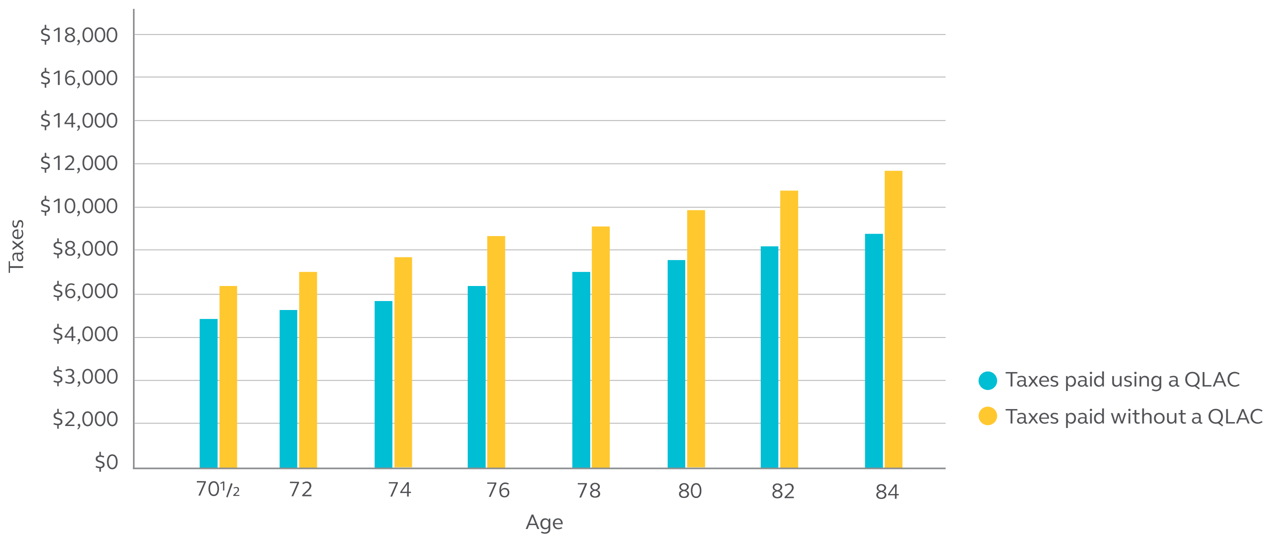
Joe and his advisor decide on the following strategy:

- Using money from his IRA assets, he purchases a **$130,000 QLAC** and makes no additional purchase payments.
- His **remaining IRA assets total $390,000**.
- He **begins taking RMDs at age 70½** as required for IRA assets not in the QLAC.
- His **QLAC income payments start at age 85**.
- For the purposes of this example, we're assuming that Joe's IRA account value has been growing at an annual rate of 5% since age 68.

Let's see what happens.

A QLAC can help reduce the RMD tax burden.

- **By putting a portion of his IRA money into a QLAC, Joe can delay paying taxes on the amount he deferred.**
- **If he puts money in a QLAC at age 68, and doesn't take a withdrawal until he turns 85, his total tax savings over those years will be $33,338.**

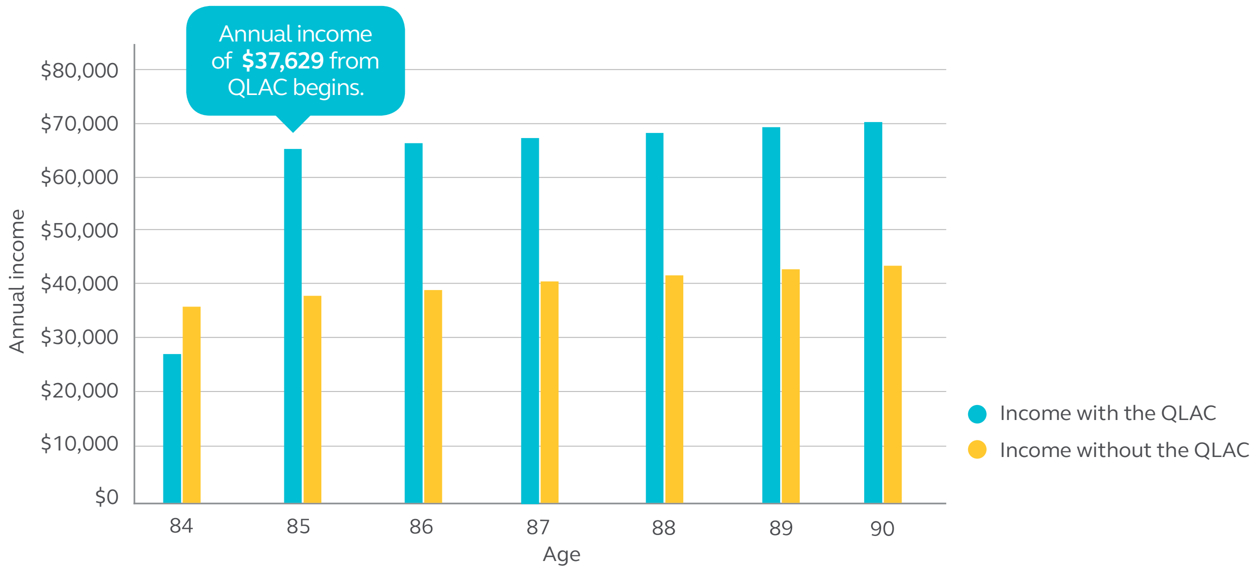


QLAC strategy $130,000 QLAC and $390,000 IRA at 5% growth				Non-QLAC strategy $520,000 IRA at 5% growth		Annual tax savings $
Age	IRA RMD income	QLAC income	Taxes	IRA RMD income	Taxes	
68-70	$0	0	$0	$0	$0	$0
70 1/2	$14,945	0	$4,782	$19,927	$6,377	$1,595
71	$15,662	0	$5,012	$20,882	$6,682	$1,670
72	$16,411	0	$5,252	$21,881	$7,002	$1,750
73	$17,195	0	$5,502	$22,927	$7,337	$1,835
74	$18,014	0	$5,765	$24,020	$7,686	$1,921
75	$18,872	0	$6,039	$25,163	$8,052	$2,013
76	$19,769	0	$6,326	$26,358	$8,435	$2,109
77	$20,608	0	$6,595	$27,477	$8,793	$2,198
78	$21,583	0	$6,906	$28,777	$9,209	$2,303
79	$22,485	0	$7,195	$29,980	$9,593	$2,398
80	$23,417	0	$7,493	$31,222	$9,991	$2,498
81	$ 24,378	0	$7,801	$32,504	$10,401	$2,600
82	$25,369	0	$8,118	$33,825	$10,824	$2,706
83	$26,388	0	$8,444	$35,184	$11,259	$2,815
84	$27,435	0	$8,779	$36,580	$11,706	$2,927
						$33,338

These charts assume an annual growth rate of 5% and 32% tax bracket. For illustrative purposes only.

A QLAC can create additional guaranteed income later in life.

- **Once Joe turns 85, he must begin taking distributions from his QLAC. This income is guaranteed for as long as Joe lives, and substantially increases his annual income in the later years of his life.**
- **His QLAC provides Joe with $37,629 each year from age 85 on. The chart below shows Joe's RMD income at age 84, and his combined RMD and QLAC income beginning at age 85.**



QLAC strategy $130,000 QLAC and $390,000 IRA at 5% growth					Non-QLAC strategy $520,000 IRA at 5% growth		Annual difference in income
Age	IRA RMD income	QLAC income	Total income	Taxes	RMD income	Taxes	
85 (QLAC income begins)	$28,316	$37,629	$65,945	$21,102	$37,754	$12,081	$28,191
86	$29,199	$37,629	$66,828	$21,385	$38,933	$12,458	$27,895
87	$30,082	$37,629	$67,711	$21,668	$40,109	$12,835	$27,602
88	$30,958	$37,629	$68,587	$21,948	$41,278	$13,209	$27,309
89	$31,823	$37,629	$69,452	$22,225	$42,430	$13,578	$27,022
90	$32,381	$37,629	$70,010	$22,403	$43,175	$13,816	$26,835
							$164,854

These charts assume an annual growth rate of 5% and 32% tax bracket. For illustrative purposes only.

Income options

Two income options are available with the Principal Deferred Income Annuity as a QLAC:

- **Life only**
- **Life with cash refund**

Choose either single or joint payout options. Joint annuitants must be spouses. The surviving joint annuitant will also be treated as the primary beneficiary. Any other beneficiary designation on record will be treated as a contingent beneficiary.

What happens when you die?

Think of a QLAC as a type of income insurance for your longevity. But it's understandable to be concerned about losing that money if you die before using any of the income. Especially if you have loved ones you'd rather leave it to.

If you die before income payments begin, a return of premium death benefit will be paid to your beneficiary(ies). If income payments have started, the death benefit will depend on the income option selected and other factors. Please consult with your advisor about your options.

If you purchase a joint life contract, your surviving spouse will continue the contract.

A few other things you should know

- **Premiums used to purchase a QLAC guarantee you a future income stream.** But you won't have access to that money once premiums are paid. You need to have additional sources of income available for short-term expenses.

- **You can roll over funds from a qualified retirement plan directly into a QLAC.** The transfer, however, can't exceed 25% of your total eligible IRA values at the end of the previous year. If you don't have an IRA with a prior year-end balance, you cannot roll over directly into a QLAC.

- **If you've already started taking RMDs from an IRA, you can still roll over money into a QLAC.** Just make sure QLAC premium limits are met. You may be required to take your RMD from your IRA for the current year prior to rolling into a QLAC.

- **If an excess premium occurs, it's your responsibility to take corrective action.** Corrections must be made by 12/31 of the year following the year the excess premium occurred.

- **Inflation protection riders on our deferred income annuity are not currently available if purchased as a QLAC.**

Next steps

Act now to help address unexpected expenses later in retirement. If you think a QLAC may be a beneficial part of your overall retirement plan, contact your financial professional to discuss if it's a good fit for you.

Not FDIC or NCUA Insured
May lose value • Not a deposit • No bank or credit union guarantee Not insured by any federal government agency

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Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

Annuities are issued by Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, IA 50392.

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Principal®

Principal® Deferred Income Annuity

Move more confidently in retirement

with the help of guaranteed income.

When you retire, you face the momentous challenge of creating a lifestyle from the nest egg you've spent your whole life building. A deferred income annuity can help provide the guaranteed income you need to fund the retirement lifestyle you want.*

The stability of guaranteed income can help you:

- worry less about market volatility
- feel more comfortable spending money on things you enjoy
- live a better life worrying less about outliving your retirement savings

The deferred income annuity difference

A Principal Deferred Income Annuity allows you to put money aside now so you'll have a steady stream of income later. When you purchase a deferred income annuity, you choose when to begin and how often you want to receive income.

How does a deferred income annuity work?

In short, deferred income annuities allow you to buy income. You pay a lump sum — or make a series of payments over time — in exchange for guaranteed income for a specific period of time or life that begins on a future date that you choose. The trade-off is that you no longer have access to use those funds. Instead, they've been used to purchase guaranteed future income for you when you need it.

Deferred income annuities aren't invested in the market, which means you won't be exposed to market ups and downs. What you will receive is predictable, continuous income payments guaranteed for life dependent upon the income option selected.

Here's the gist:

1. **Choose your income start date**
2. **Choose your income payout option and payment frequency: monthly, quarterly, semiannually, annually**
3. **Relax, knowing that your income payments are guaranteed for the time period you selected**

* Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

Create and tailor your income

- **Choose when you want to start receiving income.** Select a date to begin receiving income anywhere from 13 months to 30 years in the future (up to age 95 for nonqualified money, 70½ for qualified money or the first day of the month after the owner reaches age 85). If your needs change before you begin receiving income, you get a one-time option to change your income start date.

"Qualified" is a tax status. Qualified money is often before-tax money found in certain types of retirement plans.

"Nonqualified" is also a tax status. Nonqualified money is money that is located outside of certain tax-qualified retirement plans.

- **Put more in to get more out.** You can increase your income by adding additional premiums up until 13 months prior to your income start date. Doing so may help meet any future unplanned or planned expenses.
- **Cover for an emergency.** Unexpected expenses are part of life. To help feel confident in facing those "surprises," you have the flexibility to accelerate up to six monthly payments into a single lump sum payment, up to four times throughout the life of your contract.
- **Income to meet your needs.** Select from single or joint lifetime annuity income options that best meet your needs.

Fixed period (not available with QLAC)	Life only	Life with guarantee period (not available with QLAC)	Life with cash refund	Life with installment refund (not available with QLAC)
Receive payments for a fixed period between five and 20 years. If you die before the end of the selected period, payments continue to your beneficiary until the end of the period.	Receive guaranteed income payments for the rest of your life. Doesn't provide a death benefit if death occurs after the annuity income start date.	Receive payments for your life or a designated period (up to 30 years), whichever is longer.	Lifetime payments continue until death of the annuitant. If income payments haven't depleted your total premium at death, the difference will be paid to your beneficiary in a lump sum.	Lifetime payments continue until the death of the annuitant. If income payments haven't depleted your total premium at death, income payments will continue to your beneficiary until payments equal total premiums paid.

What about required minimum distributions?

A qualifying longevity annuity contract (QLAC) may be just what you need. A deferred income annuity can be purchased as a QLAC. A QLAC provides you with the opportunity to defer a portion of your required minimum distributions for qualified money up to age 85. By deferring a portion of income to a later date, you delay paying taxes on money you may not need early in retirement.

What happens if I die before payments start?

Sometimes the unexpected can happen, and planning for those unexpected events can impact your financial future. If you die prior to payments starting, your beneficiary is guaranteed to receive your premium amount back. If you choose to elect the optional roll-up death benefit feature, your death benefit will increase annually by 1%, 2% or 3% during the deferral period. The death benefit is paid to the beneficiary when the owner (and joint owner if any) dies before to the income start date. After income payments have started, the death benefit will depend on the annuity income option elected.

Additional features*

These features are available to you for no additional cost.

Automatically included

Income start date adjustment

- Prior to receiving payments, you can make a one-time change (accelerate or postpone) to your income start date
  - May accelerate the income start date up to five years (as long as it's been at least 13 months since the last premium payment)
  - May postpone the income start date up to five years from the original income start date (must be within the maximum deferral period limits)
  - Your income payment amount will change to reflect your new income start date

Payment advancement

- Allows you to advance up to six income payments and receive in a lump sum
- Automatically issued at no additional cost, subject to state availability
- Available for nonqualified contracts receiving monthly income payments only (not available with other payment frequencies)
- Not available for qualified contracts, including QLAC
- Must be at least age 59½
- Available to utilize after the income start date
- Limited to four requests over the life of the contract
- Income payments must resume before this option may be used again

How this works:

If Sally elects to receive four monthly income payments in advance, she'd receive a lump sum of four scheduled monthly income payments. She wouldn't receive a monthly payment during the months payments were advanced.

Optional

Inflation protection

- Annual Increase Rider
  - At issue, elect to have payments increase annually by 1%, 2%, 3%, 4% or 5%
  - Income payments are lower at first, but will automatically increase each year
  - Applies during the income phase
  - Not available when purchased as a QLAC

Roll-up death benefit during deferral

- Elect to have the death benefit during the deferral period increase annually by 1%, 2% or 3% if death occurs before the income start date
- Interest is compounded annually, credited daily from the date each premium is received
- Available through issue age 79
- Income payments will be lower if this benefit is elected
- Not available when purchased as a QLAC

How this works:

Sally, age 55 — Purchases a deferred income annuity for $150,000 deferring income for 10 years and elects a 2% annual roll-up death benefit.

Sally unexpectedly dies at age 60 before her income payments begin. Her beneficiary will receive $165,612.**

*Contract rider descriptions are not intended to cover all restrictions, conditions or limitations. Refer to rider for full details.
** Assumes death occurred on contract anniversary.

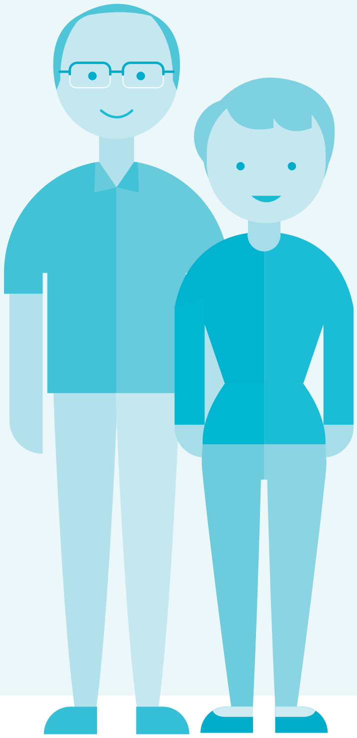
Case studies

Example 1:

(based on nonqualified money)

Meet Laurie and Mark.

- Married for 31 years, both now age 54
- Mark wants to retire at 65
- Concerned about the market volatility
- Would like a source of predictable income beyond Social Security



Strategy:

Purchase Principal Deferred Income Annuity selecting the joint life with cash refund annuity income option at issue.

Start with a purchase payment of $15,000 in year 1 and increase the amount of purchase payments each year as Mark's salary grows. Stop contributing after 10 years and start taking income at age 65.

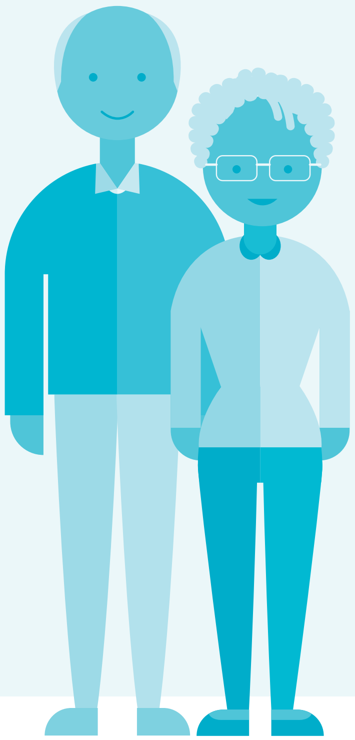
Age	Purchase payment amount	Hypothetical payout rate	Annual income
54	$15,000	7.1%	$1,063
55	$16,000	6.9%	$1,097
56	$17,000	6.6%	$1,115
57	$18,000	6.3%	$1,142
58	$19,000	6.1%	$1,167
59	$20,000	5.8%	$1,169
60	$21,000	5.7%	$1,188
61	$22,000	5.5%	$1,205
62	$23,000	5.2%	$1,202
63	$24,000	5.1%	$1,215
64	$0	—	—
Total at age 65	**$195,000**		**$11,563**
Age when annuity income payments begin	Total of all purchase payments received		Total annual income for both lives, starting at age 65

Hypothetical example for illustrative purposes only. Payout is based on joint life with cash refund payout option. Rates are subject to change and payout will vary with premium amount, age, gender and annuity income option selected.

Case studies (continued)

Example 2:

(based on qualified money)



Meet James and Anne.

- James is age 65, Anne is age 60
- James is retired, Anne plans to retire in five years
- Couple has a $500,000 lump sum investment — a portion of James' 401(k) plan
- Want to replace Anne's income and are interested in a single life payout, starting when James turns 70

Strategy:

Purchase Principal Deferred Income Annuity selecting the single life with cash refund annuity income option at issue.

With a $500,000 premium at age 65, James will begin receiving a guaranteed annual payment of $36,309 starting at age 70.

Age	Purchase payment amount	Hypothetical payout rate	Annual income for life starting at age 70
65	$500,000	7.3%	$36,309
66	$0	—	—
67	$0	—	—
68	$0	—	—
69	$0	—	—
70	$0	—	—
Total	**$500,000**		**$36,309**

Hypothetical example for illustrative purposes only. Payout is based on single life with cash refund payout option. Rates are subject to change and payout will vary with premium amount, age, gender and annuity income option selected.

Move more confidently in retirement with the help of guaranteed income.

Product details

Premiums	The premium is the amount of money (qualified or nonqualified) you use to purchase your annuity. • Initial premium minimum: $10,000 • Subsequent premium minimum: $2,000 • Maximum premium: $2 million (up to $5 million with home office approval) • Qualifying longevity annuity contract (QLAC) premium is limited to the lesser of $130,000 or 25% of total eligible IRA balances as of prior year end (excluding Roth and Inherited IRAs)[1]
Issue age	• Nonqualified: 0-93 • Qualified: 0-68 • QLAC: 0-82
Owner/ annuitant	• **Single life annuity:** the owner (the person who owns all rights to the annuity) and annuitant must be the same (unless a non-natural owner) • **Joint life annuity:** the owner and annuitant don't need to be the same, however the owner must be one of the annuitants • Joint owners/annuitants must be spouses
Annuity income options	• Fixed period of five to 20 years (not available with QLAC) • Life only • Life with guarantee period (not available with QLAC) • Life with cash refund • Life with installment refund (not available with QLAC)
Income start date	• Selected at contract issue • Can make a one-time adjustment during the life of the contract (based on the Income Start Date Adjustment guidelines)
Income payment deferral method	Minimum deferral period: 13 months Maximum deferral period: • **Nonqualified:** Earlier of 30 years or age 95 • **Qualified:** Earlier of 30 years or age 70½ • **QLAC:** Earlier of 30 years or the first day of the month after the owner reaches age 85
Income payment frequency	• Monthly • Semiannually • Quarterly • Annually
Death benefit during the deferral period	The death benefit is the amount of money paid to the beneficiary when the owner (and joint owner if any) dies prior to the income start date. The death benefit, if any, is the total of all premium payments made as of the date of death. After income payments have started, the death benefit will depend on the annuity income option selected.
Optional roll-up death benefit during the deferral period	Elect to have the death benefit during the deferral period increase annually by 1%, 2% or 3% if death occurs before the income start date (not available with QLAC).

[1]Additional restrictions may apply. The dollar limit applies across all qualified retirement plans collectively. The percentage limit applies to each qualified plan separately and to IRAs (excluding Roth and Inherited IRAs) on an aggregate basis. There are restrictions on how premium limit rules can be applied. There are also restrictions on how qualified plan assets can roll over to a QLAC. It's the client's responsibility to ensure QLAC premium limitations are met. Roth IRAs cannot be treated as a QLAC.

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For more information on how the Principal Deferred Income Annuity product might fit into your financial plan, contact your financial professional.

Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

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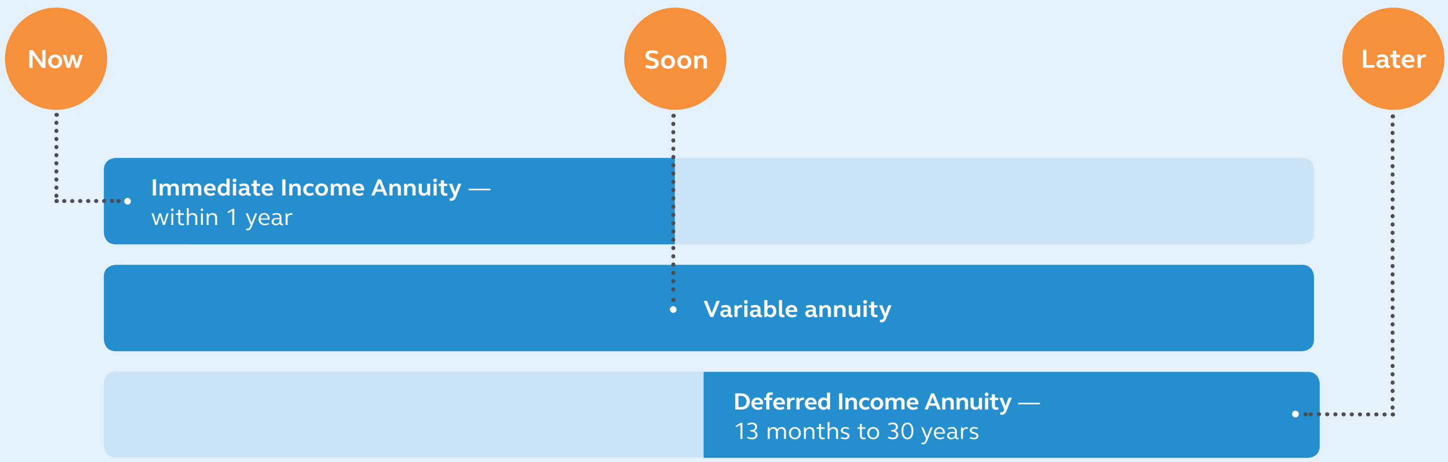
Tax-qualified retirement arrangements, such as IRAs, SEPs and SIMPLE-IRAs are tax deferred. You derive no additional benefit from the tax deferral feature of the annuity. Consequently, an annuity should be used to fund an IRA, or other tax qualified retirement arrangement, to benefit from the annuity's features other than tax deferral. These features may include guaranteed lifetime income, guaranteed minimum interest rates and death benefits without surrender changes.

Contract rider descriptions are not intended to cover all restrictions, conditions or limitations. Refer to rider for full details.

Annuity products and services are offered through Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, IA 50392, principal.com.

When do you need income?

Whether you need income now or at some date in the future, we can help you construct a strategy that fits both your income and retirement needs.



Contact your financial professional today to start mapping out your retirement income plan.

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Before investing in variable annuities, investors should carefully consider the investment objectives, risks, charges and expenses of the contract and underlying investment options. This and other information is contained in the free prospectus, and, if available, the summary prospectus which can be obtained from your local representative or online at principal.com. Please read the prospectus and, if available, the summary prospectus carefully before investing.

There are risks involved with investing, including possible loss of principal. There is no assurance that the goals of the strategies described will be met.

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For more detailed product information on products mentioned in this brochure, contact your financial professional.

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Contract rider descriptions are not intended to cover all restrictions, conditions or limitations. Some riders are subject to additional charge.

Refer to rider for full details. Riders are subject to state availability.

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Contract SF 779, SF 949, ICC14 SF 949, SF 968, ICC16 SF 968, SF 948/ICC14 SF 948

Map a strategy for retirement income

Solutions to help you navigate and stay on course

Build an income strategy

We all have dreams of what we want our retirement to look like. With the decreasing availability of pension plans, the uncertainty of Social Security and rising health care costs, it's more important than ever to create an income strategy to ensure your personal retirement savings can sustain a 20- to 30-year retirement. By answering a few questions, we can help you begin the process of creating an income strategy using fixed and variable annuity products that can help provide a guaranteed income stream to last throughout your retirement. The chart below can help you begin to develop an income strategy based on your needs and objectives for retirement income.

Start When c soon o

Soon within 1 year

Are you comfortable investing in the market?

Yes

No

Somewhat comfortable but still want some guarantees

Action: Consider opening a variable annuity with a guaranteed minimum withdrawal benefit (GMWB)

This variable annuity may offer:

- Ability to take advantage of potential market growth
- Ability to add additional premiums
- GMWB riders[1] that may provide:

	Income soon	Income later
Bonus[2]		X
Step-up potential[3]	X	X
Investment protection[4]	X	X
Guaranteed lifetime income	X	X

[1] GMWB feature does not guarantee against loss in total value of the account. These losses can lead to lack of future step-ups in the Withdrawal Benefit Base. GMWB riders are subject to an additional fee.

[2] Bonuses only apply during the guarantee period and are applied to the withdrawal benefit base and not the contract's accumulated value as long as no withdrawals are taken. Once a withdrawal is taken, the bonus is no longer applicable.

[3] Once withdrawals have started, a step-up feature is less likely to occur.

[4] The GMWB rider provides investment protection. However, the accumulated value is subject to gains and losses.

Action: Consider opening an immediate income annuity

An immediate income annuity may offer:

- Guaranteed lifetime income by converting a portion of your retirement savings into a guaranteed income stream without the worry of market fluctuations[6]
- Diverse range of income options including fixed amount, fixed period; or life income with guarantee period, cash refund or installment refund
- Optional no fee rider that allows you to increase income payments to potentially keep pace with inflation[7]
- Optional no fee liquidity rider, providing access to money if needed — up to 100%[8]

[6] Lack of market fluctuation means both a lack of possible market loss but also a lack for opportunity for market gains.

[7] While there is no additional fee for the optional cost of living rider, payments for the same premium will be lower in the early years than contracts without this rider.

[8] Income payments for the remaining guarantee period are reduced in direct proportion to the percentage of your withdrawal. Not available in all states and certain restrictions apply.

Action: Consider opening both an immediate income annuity and a variable annuity

This strategy provides you with:

- Ability to receive income now with an immediate income annuity to help cover essential expenses
- Long-term growth potential with market participation with a variable annuity[5]
- Some safety and security with a fixed annuity
- Access to a portion of your money in the variable annuity without penalty via the free withdrawal amount (the greater of earnings in the contract or 10% of premium payments less any withdrawals since the last anniversary)

Bottom line: You have more than one option to create guaranteed lifetime income.

[5] Investing involves risk, including possible loss of principal.

Guarantees are based upon the claims-paying ability of the issuing insurance company.

Withdrawals prior to age 59½ may be subject to a 10% penalty. Surrender charges may apply for withdrawals in excess of free withdrawal amounts. See product brochures for details.

Important considerations: annuities are long-term investments and can provide lifetime income via annuitization. There may be additional risks, fees and charges associated with variable annuities. Strategies shown here may not be suitable for all investors. You should consider your personal investment time horizon and income tax bracket, both current and anticipated, as these may impact your investment decisions. Your financial professional can provide you with additional product details and strategies to help meet your financial needs and goals.

do you need income r later?

Later longer than 1 year

Are you comfortable investing in the market?

No

Yes

Somewhat comfortable but still want some guarantees

Action: Consider opening a deferred income annuity

A deferred income annuity may offer:

- Income start date flexibility — can defer taking income anywhere from 13 months to 30 years
- Guaranteed future income stream for life
- Ability to add additional premiums
- Choice of income options including fixed period, lifetime (single/joint) including life only, life with guarantee period, cash refund or installment refund[9]
- Ability to defer a portion of required minimum distributions (RMDs) up to age 85 when purchased as a qualifying longevity annuity contract (QLAC)[10]
- Payment advancement feature that allows clients to advance up to six income payments and receive in a lump sum[11]

[9] If purchased as a QLAC, income options are limited to life only and life with cash refund.

[10] QLAC premium is limited to the lesser of $130,000 or 25% of total IRA balances as of prior year end (excluding Roth and Inherited IRAs).

[11] Available after the income start date on nonqualified contracts receiving monthly income payments only. Limited to four requests over life of contract. Must be at least 59½ to exercise. May not be available in all states and other restrictions may apply.

Action: Consider opening an investment focused variable annuity

This variable annuity may offer:

- Access to more investment options than available with GMWB
- Ability to invest 100% in equities
- Ability to add additional premiums
- May provide access to a feature that allows client to create a personalized income plan by transferring money from investments to lock in future guaranteed income.

and/or

Action: Consider opening a variable annuity with a GMWB

This variable annuity may offer:

- Ability to take advantage of potential market growth
- Ability to add additional premiums
- Guaranteed minimum withdrawal benefit riders[1] that may provide:

	Income soon	Income later
Bonus[2]		X
Step-up potential[3]	X	X
Investment protection[4]	X	X
Guaranteed lifetime income	X	X

Action: Consider using a combination of a variable annuity with a GMWB, a deferred income annuity, and/or an investment focused variable annuity.

This strategy provides you with:

- The ability to add additional premiums to either product
- Upside market potential with the portion invested in a variable annuity[12]
- Some safety and security with a fixed annuity
- Income start date flexibility with both products, based on your retirement income needs
- The opportunity to defer the distribution of a portion of your qualified assets beyond age 70½ — reducing RMDs until a later date (when a deferred income annuity is purchased as a QLAC)

Bottom line: You have more than one option to create guaranteed lifetime income.

[12] Investing involves risk, including possible loss of principal.

Principal®

Create income for life

Deferred income annuity rollover option

Retirement looks a little different than it did for our parents. Employer pension plans are no longer common and Social Security is expected to replace only 40% of your pre-retirement income.[1]

With those two traditional sources of guaranteed income dwindling, you'll have to make up the difference. Consider creating your own personal pension by **rolling a portion of your employer-sponsored retirement plan into a deferred income annuity**.

How it works

A deferred income annuity allows you to put money aside now so you'll have a steady stream of income later. If your employer offers an in-plan rollover option, you can move a portion of your retirement savings to the annuity while still participating in the retirement plan.

Meet Carmen

Carmen wants to retire in five years at age 65. She's feeling good about her savings, but she worries about the risk of a volatile market. She decides to protect a portion of her employer-sponsored 401(k) by rolling it into a deferred income annuity.

Carmen at age 60	Once Carmen turns age 65	
In-service rollover	Annual payout rate	Annual income for life
$150,000	6.9%	$10,281.13

By rolling $150,000 into a deferred income annuity, Carmen can generate approximately **$857 each month in retirement income, or $10,281 each year.**

10 years – $102,811.30
20 years – $205,622.60
30 years – $308,433.90

This is a hypothetical example for illustrative purposes only. Payout is based on single life with a cash refund payout option. Rates are subject to change and payout will vary with premium amount, age, gender and annuity income option selected.

When you roll your savings into a Principal Deferred Income annuity, you benefit from these features:

- **Guaranteed lifetime income or for a fixed period between five and 20 years[2]**
- **Protection from market volatility**
- **Ability to add additional premiums**
- **Choice in start date – 13 months – 30 years**

Check with your employer to see if in-service withdrawals are an option with your plan, and how much you can roll over. Discuss tax questions with your tax advisor.

Talk to your financial professional about rolling a portion of your retirement savings into a Principal Deferred Income Annuity.

You should consider the differences in investment options and risks, fees and expenses, tax implications, services and penalty-free withdrawals whenever you are considering rollover options. With a deferred income annuity, you may lose some flexibility and liquidity in exchange for a future guaranteed stream of income. The strategy outlined is limited to the retirement account that was discussed. We provided this option as a point in time solution and our discussion does not create an advisory relationship. This document is intended to be educational in nature and is not intended to be taken as a recommendation. If you need additional or new guidance, please contact your financial professional.

[1] SSA.gov, January 2017
[2] Guarantees are based on the claims-paying ability of Principal Life Insurance Company

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Withdrawals made prior to age 59½ may be subject to 10% IRS penalty tax.

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Don’t outlive your money

Create an income plan to help last through retirement

Investment accounts are a common way to save for retirement. But they aren’t guaranteed. If the market crashes, your savings can take a hit. And when you’re retired and not bringing home a paycheck, it can be hard to recover from a big market drop.

An income annuity can add some insurance to your financial portfolio. It’s guaranteed money no matter what happens in the market, and no matter how long you live.[1] You pay a lump sum — or make a series of payments over time — and in exchange receive a regular paycheck that helps guarantee[2] you will have a steady stream of income to help pay your bills.

Find the right mix of investment and guaranteed income

Planning for your retirement might mean creating a mix between guaranteed income (an annuity) and an investment account. Take a look at these two hypothetical examples of possible retirement income plans.*

Lou

Lou is 60 years old, has $500,000 saved for retirement and wants to retire in 10 years. He knows he needs $40,000 annually to meet his expenses in retirement.

> Example 1: Lou decides to keep all his money in his investment accounts.

In this example, when he retires, his original $500,000 has grown to $750,000.

He needs to withdraw 5.3% annually to receive the $40,000 in income needed.

In a flat market he would run out of money within 19 years.

> Example 2: Lou uses $250,000 of his savings to purchase a deferred income annuity, and keeps the remaining $250,000 in his investment accounts.

In this example, when he retires, his invested accounts have grown from $250,000 to $375,000. If he withdraws 4% annually, he can generate $15,000 a year.

His deferred income annuity provides $25,000 each year, which is guaranteed for as long as he lives.

By using both guaranteed and investment income, Lou has the $40,000 a year he needs.

Both of our retirement income scenarios assume investing in a flat market. But the truth is, the market fluctuates and the timing of its ups and downs could affect Lou's investments.

If he retires when the market's strong, his money could last longer. But a down market early in his retirement means he'll be taking money from a reduced nest egg. This makes it harder to earn back losses, which could affect how many years his portfolio lasts. Having an annuity that provides guaranteed income, regardless of what's happening in the market, is one way to help offset this risk.

* These hypothetical examples are used to demonstrate how using a portion of your savings to purchase a deferred income annuity, while keeping a portion of your savings invested in the market, can help make your savings last longer in retirement. Fees, expenses and taxes for the annuity and investment account aren't taken into consideration. Earnings in a deferred income annuity are taxed at ordinary income rates, and earnings in investment accounts are subject to capital gains taxes.

Stronger together

Investment income and guaranteed money both have their strengths, and used together can address several income risks you could face in retirement. An investment account provides liquidity and the potential to keep pace with inflation. An income annuity helps reduce the chance of running out of money. When combined, they may help you create the right mix for your retirement income plan.

Learn more

Talk to a financial professional about the right options for your retirement income plan.

[1] Guarantees based on the claims-paying ability of Principal Life Insurance Company.

[2] There are fees associated with income annuities to offset the guarantees that come with your contract. Income annuities often involve less liquidity, and do not provide growth potential.

[3] Annuity 2012 Mortality Table, Society of Actuaries

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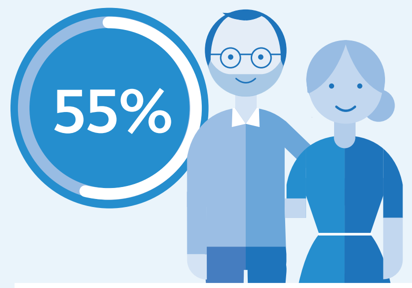
Did you know?



There's a 55% chance that the husband or wife of a married couple age 65 will live to age 92.[3] **That's over 25 years in retirement.**

Income annuities are one option for creating guaranteed retirement income that lasts as long as you live. There are two main types:

Deferred income annuities
Set aside money now for guaranteed income payments to begin at a later date.

Immediate income annuities
Start providing income now or in the near future.