Principal Deferred Income Annuity℠

Move confidently in retirement

with the help of guaranteed income.

We hear you. Ensuring you have enough money in retirement can seem overwhelming. But we have a solution that may help by providing guaranteed lifetime income you can't outlive.*

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 a guaranteed paycheck for 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.

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 or 70½ for qualified money.) 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.
- **Coverage 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.

Life only	Life with guarantee period (not available with QLAC)	Life with cash refund	Life with installment refund (not available with QLAC)
Receive guaranteed income payments for the rest of your life. Doesn't provide a death benefit if death occurs before 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 QLAC may be just what you need. A deferred income annuity can be purchased as a qualifying longevity annuity contract (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 is a death benefit?

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 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.

Additional features*

These features are available to you for no additional cost.

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.

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
- Consumer Price Index (CPI) Rider
  - At issue, elect to have income payments adjusted annually for increases (if any) in the CPI for All Urban Consumers (CPI-U)
  - Income payments are lower at first, but have the opportunity to increase
  - Applies during the income phase
  - Not available when purchased as a QLAC

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

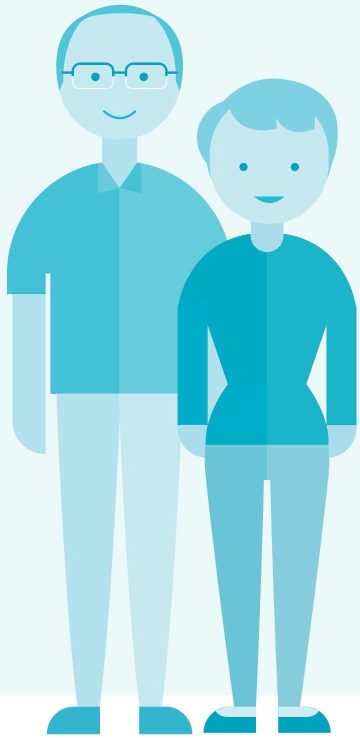
Case studies

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.

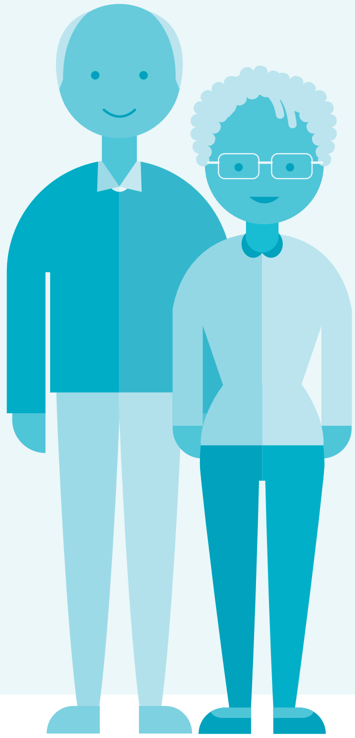
Age	Purchase payment amount	Hypothetical payout rate	Annual income
54	$15,000	7.1%	$1,063
55	$16,000	6.9%	$1,097
56	$17,000	6.6%	$1,115
57	$18,000	6.3%	$1,142
58	$19,000	6.1%	$1,167
59	$20,000	5.8%	$1,169
60	$21,000	5.7%	$1,188
61	$22,000	5.5%	$1,205
62	$23,000	5.2%	$1,202
63	$24,000	5.1%	$1,215
64	$0	—	—
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.

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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 $125,000 or 25% of total 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	• 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	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 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.

[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 rollover to a QLAC. It's the client's responsibility to ensure QLAC premium limitations are met. Roth IRAs cannot be treated as a QLAC.

Principal℠

Not FDIC or NCUA Insured
May Lose Value • Not a Deposit • No Bank or Credit Union Guarantee Not Insured by any Federal Government Agency

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

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

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.

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