



# Simplify supplemental retirement income with automation.


A lot changes over time. And so do your reasons for needing life insurance. As you get closer to retirement, when maybe you've raised the kids and paid the mortgage, your focus shifts to the future. And life insurance can be an important part of that future as a key asset in your retirement income plan.

## Helping you save more, protect more, and prepare more

A Principal® policy can boost your retirement plan in a number of ways because it offers both life insurance protection and cash value growth that can provide tax-free<sup>1</sup> income. With this as part of your retirement solution, you are able to:

 **Save more**, so you can live more comfortably in retirement.

 **Protect more**, so your spouse's retirement plan stays on track if you die before retirement.

 **Prepare more**, so you can handle "what if" moments, like a long-term health condition.

## It's easy to turn cash value into retirement income

We want to help you spend time enjoying retirement. That's why we've automated the process to receive income from your policy. It's simple, straightforward, and easy, so you don't have to worry about the details.

All you need to do is tell us how much you want, and how often. We'll take care of the rest.

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| <b>1   Manage ongoing payments</b>              | You complete a single form, one time, and we'll send payments as frequently as monthly. It's like getting a regular paycheck in retirement.   |
| <b>2   Make distributions at the right time</b> | Withdrawals and policy loans are used to provide income from your policy. <sup>2</sup> It's important that they are taken in the proper sequence and at the correct time to maintain tax-free status. And our process ensures that happens. First, withdrawals are taken until an amount equal to total premiums paid has been distributed. Next, policy loans are used for the remaining distributions.  |
| <b>3   Maximize your payments</b>               | If you elect to receive the maximum from your policy as your income option, your payment amount will be updated annually to reflect your policy's performance for the prior year. It's how we make sure you're getting all you could be.  |
| <b>4   Monitor tax-free payment status</b>      | The Life Paid-Up Rider <sup>3</sup> is a built-in feature that makes sure your income payments remain tax-free to the end. <sup>4</sup> It helps prevent the policy from terminating due to lapse from policy loan, so long as certain conditions are met. Why is this important? A policy that lapses with a loan balance is taxable to the extent of the gain, measured as the amount of income you've received minus the premiums you've paid. |



**Talk to your financial professional** about how a life insurance policy from Principal may help you build a brighter future by providing retirement income that's fast, easy, and hassle-free.

- <sup>1</sup> Withdrawals are generally tax-free until cost basis has been recovered. Thereafter, policy loans are generally tax-free unless the policy lapses. Withdrawals and loans will reduce the policy cash surrender value and net death benefit and may cause the policy to lapse. Lapse of a life policy may cause loss of death benefit and adverse income tax consequences. A life insurance policy classified as a modified endowment contract (MEC) will have less favorable tax treatment during the life of the insured compared to other life insurance (non-MEC policies). Such tax treatment would be similar to tax treatment of a deferred annuity.
- <sup>2</sup> Surrender charges and other policy charges may apply to distributions taken from the policy. Withdrawals and policy loans may decrease the amount of death benefit and cash value.
- <sup>3</sup> The policy rider description listed is not intended to cover all restrictions, conditions or limitations that may apply. See the rider description for full details, state variations, and availability.
- <sup>4</sup> The Internal Revenue Service has not taken a position on the Life Paid-Up Rider. You should consult your tax advisor prior to this rider being exercised.



### [principal.com](https://principal.com)

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

Principal National Life Insurance Company and Principal Life Insurance Company, Des Moines, Iowa 50392-0002

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