Principal Income Annuity

Take steps to protect your retirement income

A Principal Income Annuity guarantees you a regular stream of income in retirement — an important factor in your retirement plan.[1]

But have you thought about how inflation might impact your purchasing power as the years go by? Principal Income Annuity offers you the choice of two optional riders designed to help protect your income from inflation. Both riders are available at no extra cost when you purchase your annuity.[2]

Only one rider can be selected. Here's some information to help you choose the one which may be right for you.

Annual increase rider

This rider allows you to choose either a 1%, 2%, 3%, 4% or 5% automatic increase in your income payments each year throughout the life of your contract.

The chart below is a hypothetical example of how the Annual Increase Rider works, assuming the 3% automatic increase every year for a 10-year time period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Monthly Payment Amount	$1,000.00	$1,030.00	$1,060.90	$1,092.73	$1,125.51	$1,159.27	$1,194.05	$1,229.87	$1,266.77	$1,304.77

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

[2] While there is no additional fee for the optional cost of living riders, payments for the same premium will be lower in the early years than contracts without one of these riders. Payments will increase by the percentages chosen, or based on the Consumer Price Index, depending on which rider is selected.

Consumer price index (CPI) rider[3]

This optional rider is available only at issue, and gives you the opportunity to automatically increase your benefit payments based on the Consumer Price Index for All Urban Consumers (CPI-U).

There is no limit on the amount of total increases over the life of the contract.

The amount of your income payment is calculated annually. If the CPI-U has increased during the year, and offsets any negative changes from the previous year (or years), your payment will increase on your contract anniversary. Your payments will not decrease if the CPI-U is negative from the prior year.

If the CPI Rider is elected, you may only defer your initial payment up to six months.

The chart below is a hypothetical example of how the Consumer Price Index Rider would impact the income payment:

Anniversary	CPI-U Index Value	CPI-U Percentage Change from Initial Value	Payment Change Percentage from Initial Payment	Income Payment
At Issue	100			$500
1	103	3.00%	3.00%	$515
2	98	-2.00%	3.00%	$515
3	102	2.00%	3.00%	$515
4	110	10.00%	10.00%	$550
5	109	9.00%	10.00%	$550

About the CPI-U

The CPI-U, a metric used by the United States Department of Labor to monitor inflation, is tracked monthly. Historical CPI-U values can be found at inflationdata.com.

[3] Not available with Fixed Period and Fixed Amount. The Liquidity Rider is not available with the CPI Rider.

The following chart illustrates 20 years of actual CPI-U factors and the annual percentage change.[4]

January		
Year	**CPI-U Value**	**Percentage Change**
1999	164.300	1.67%
2000	168.800	2.74%
2001	175.100	3.73%
2002	177.100	1.14%
2003	181.700	2.60%
2004	185.200	1.93%
2005	190.700	2.97%
2006	198.300	3.99%
2007	202.416	2.08%
2008	211.080	4.28%
2009	211.143	0.03%
2010	216.687	2.63%
2011	220.223	1.63%
2012	226.665	2.93%
2013	230.280	1.59%
2014	233.916	1.58%
2015	233.707	-0.09%
2016	236.916	1.37%
2017	242.839	2.50%
2018	251.712	3.65%
The CPI-U has averaged an annual increase of 3.00% since 1927.		

[4] Assumes month of January year-over-year CPI-U factors.

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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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Contract rider descriptions are not intended to cover all restrictions, conditions or limitations.

Refer to rider for full details. Must be preceded or accompanied by main product brochure (RF1111) and/or the product description (RF1114).

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

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