

Principal Income Annuity Liquidity Rider

# The Freedom of Guaranteed Income Plus Access to Your Money





## Extra money when you need it

The major benefit of an income annuity is the guaranteed income it can provide you in retirement. Unfortunately, with most income annuities you give up access to your money in exchange for the guaranteed income stream. Not with the Principal Income Annuity.

### It's Your Money

We figure it's your money and you have a right to it. That's why we offer a liquidity rider\* to our income annuity. There is no up-front cost to you, so your initial income payment is not affected.

You can take a one-time withdrawal of up to 30 percent of the remaining guaranteed payments from your annuity\*\* at any time after the first contract anniversary until the end of your annuity's guaranteed period.

That's extra cash you can count on for a medical emergency. Money you could use if something unexpected occurs. No matter what the reason, you have access to money in your annuity if you need it.

### It's as easy as 1-2-3

1. You choose how much you want to withdraw – up to 30 percent of the current value of the remaining income payments in the guaranteed period.
2. The regular income payments for the remaining guaranteed period of your annuity are reduced in direct proportion to the percentage of your withdrawal. For example, if you take a 30 percent withdrawal, the remaining payments in the guaranteed period will be reduced by 30 percent.
3. At the end of the guaranteed period, your income payments are increased to the original payment amount (the amount you received prior to the withdrawal).\*\*\*

To take advantage of the one-time withdrawal feature, you must:

- Have an income annuity with a benefit option that includes a guaranteed period
- Withdraw at least \$2,500
- Wait at least one year to take the withdrawal

The actual dollar amount you get depends on the interest rate environment at the time you take the withdrawal, how far you are into the guaranteed period, and the withdrawal percentage you choose.

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\* Not available in all states.

\*\* Not available with Life Income, Life Income with Cash Refund and Life Income with Installment Refund benefit options.

\*\*\* If a Fixed Period benefit option is elected, payments will cease at the end of the guaranteed (fixed) period.

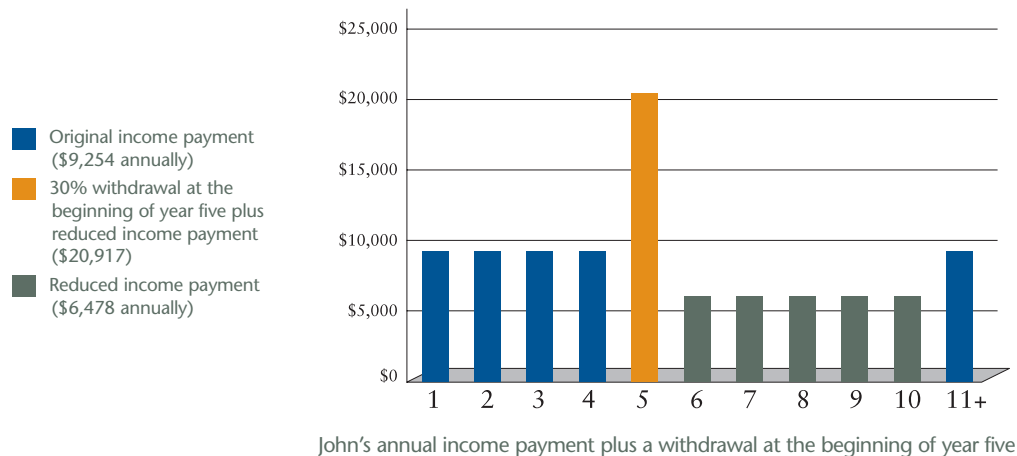
## HOW THE LIQUIDITY FEATURE CAN WORK FOR YOU – AN EXAMPLE



**John Smith**  
**Age:** 75  
**Premium:** \$100,000  
**Benefit option:** Life income with a 10-year guaranteed period  
**Annual income payment for life:** \$9,254

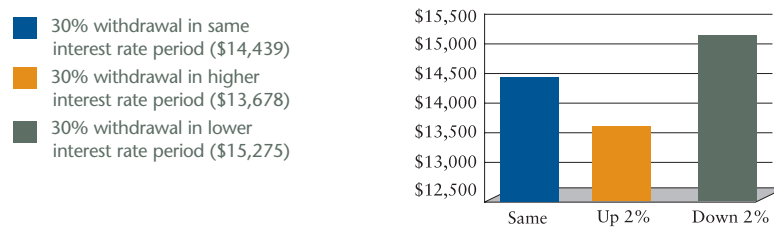
Four years after buying a Principal Income Annuity, John has some unexpected medical expenses and needs extra money. He decides to take a full 30 percent withdrawal from his income annuity.

Assuming the interest rate environment has not changed since he purchased the annuity, he receives a lump sum payment of \$14,439 (30 percent of the current value of his remaining guaranteed income payments). Because he opted to take a 30 percent withdrawal, his income payments will now be reduced by 30 percent, resulting in a new income payment amount of \$6,478 per year. His income payments remain at the adjusted rate of \$6,478 until the end of the 10-year guaranteed period. In year 11, after the guaranteed period has ended, his income payments return to the original payment amount of \$9,254 and continue for the rest of his life.



## THE EFFECT OF INTEREST RATES ON JOHN'S WITHDRAWAL AMOUNT

The interest rate environment at the time John makes the withdrawal will affect the amount of money he receives. If interest rates were up two percent from when he purchased the annuity, his one time withdrawal payment would be \$13,678. If interest rates were down two percent from when he purchased the annuity, his withdrawal would be \$15,275.



## It's your call

The Principal Income Annuity liquidity rider gives you something most income annuities don't – access to your money.

It's your call if, when, and how you want to use the liquidity rider. So, make the call to your financial professional today to learn more about the Principal Income Annuity and the role it can play in your retirement income plan.



WE'LL GIVE YOU AN EDGE<sup>SM</sup>

Not FDIC/NCUA Insured	No Bank Guarantee
Not A Deposit	May Go Down In Value
Not Insured By Any Federal Government Agency	

Principal Life Insurance Company, Des Moines, Iowa 50392-0002, [www.principal.com](http://www.principal.com)

All guarantees subject to the claims paying ability of Principal Life Insurance Company.  
Insurance issued by Principal Life, a member of the Principal Financial Group<sup>®</sup>, Des Moines, IA 50392.