



Commonly Asked Questions

Understanding Income Annuities

If you think annuities are complex and confusing, you're not alone. Yet the more you know about how annuities really work, the easier they are to understand. Here we'll tackle some of the more common questions related to income annuities, an annuity that provides you with a guaranteed income.

QUESTION: Don't income annuity investors lose control of their money?

ANSWER: An income annuity brings your money under control – as opposed to what can happen in the market. An income annuity locks in an income stream and provides a guaranteed income that you can count on.

With an income annuity from Principal Life, you may have access to your money for unexpected expenses. You see, with certain benefit options you may be allowed to withdraw up to 30% of your remaining guaranteed payments.

QUESTION: Is money lost forever if the income annuity investor dies too soon?

ANSWER: Plans are flexible. Some benefit options pay beneficiaries until the entire original investment is received. Talk to your sales representative to learn more about the many benefit options you can choose from.

QUESTION: Is it true that income annuity investors cannot access their money?

ANSWER: No, access is gained in the form of consistent, reliable income with no risk that the payment will decrease. The insurance company promises to provide an income stream as long as the income payment agreement allows – possibly as long as you live. You also have access to your money should you need it. The Liquidity rider* allows you to take a one-time withdrawal of up to 30% of your remaining guaranteed payments.

When the liquidity rider is used, the amount of the withdrawal will vary based on the interest rate environment at the time of the withdrawal.

* Not available in all states. Payments will be reduced proportionately from the time a withdrawal is taken until the guaranteed period ends, but will then return to the original payment amount. There is no cost for this rider.

QUESTION: How should I compare an income annuity to my other retirement investments?

ANSWER: Income annuities are a powerful compliment to your other retirement savings.

- They provide reliable income to cover basic living expenses, so you have peace of mind.
- They provide you more flexibility to invest your other savings more aggressively since your income annuity is secure.
- They provide a higher income than the systematic withdrawal amounts normally recommended to last a lifetime.

Part of your total retirement planning strategy

For most people, receiving income is an important part of their retirement plan strategy. While you may want to be aggressive with some of your retirement assets, you may also have a need for a steady and guaranteed income to meet fixed expenses. That's where an income annuity from Principal Life can help.

Our income annuity not only provides you a steady income stream, some benefit options also allow you a one time only withdrawal for unexpected expenses. Talk with us today about how an income annuity fits in with your retirement planning strategy.

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

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



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