

Notice to Plan Participants:

If you are married, you may choose to have someone other than your spouse receive preretirement death benefits. *However, your spouse must consent in writing. If you are under age 35, your spouse must again consent to this in writing at the start of the plan year in which you reach age 35, for a nonspouse beneficiary designation to remain in effect.* Forms are available by logging into your account information at principal.com to elect or change a beneficiary and, if needed, obtain your spouse's written consent. The following explains the Preretirement Death Benefit also known as the Qualified Preretirement Survivor Annuity:

Qualified Preretirement Survivor Annuity (QPSA) Notice

If you have a vested account in a retirement plan, federal law requires that your spouse receive a special death benefit if you die before beginning to receive retirement benefits (or, if earlier, before the beginning of the period for which the retirement benefits are paid).

If you have been married to your spouse for at least one year (some plans may specify a shorter time period), your spouse has the right to receive this payment for his/her life beginning after your death. The special death benefit is often called a qualified preretirement survivor annuity (QPSA). This death benefit will automatically be paid in a lump sum rather than as a QPSA if the value of the death benefit is \$5,000* or less.

*Your plan can specify a lower dollar amount.

If the lump sum value of the death benefit is greater than \$5,000, the death benefit will be paid in the form of a QPSA unless the beneficiary elects otherwise. **Other options may be available.** The actual amount of the QPSA benefit will vary depending on the vested account balance, your spouse's age, and the cost to purchase the benefit.

Your spouse's right to the QPSA benefit provided by federal law cannot be taken away unless he/she agrees to give up that benefit. If your spouse agrees, you can choose to have all or part of the death benefits paid to someone else. The person you choose to receive the death benefits is usually called the beneficiary. As an example, if your spouse agrees, you can have the death benefits paid to your children.

EXAMPLE:

Pat and Robin Doe agree that Robin will not receive the QPSA benefit. Pat and Robin also decide that ½ of the death benefits that are paid from Pat's vested account will be paid to Robin and ½ of the death benefits will be paid to Pat and Robin's child, Chris. The total death benefits are \$200 per month. After Pat dies, the plan will pay \$100 a month to Robin for the rest of Robin's life. Chris will also receive payments from the plan as long as Chris lives. Chris will receive less than \$100 a month because Chris, being younger than Robin, is expected to receive payments over a longer period.

Your spouse's choice to give up the QPSA benefit must be voluntary. It is your spouse's personal decision whether they want to give up that right. If your spouse signs an agreement waiving their right as the beneficiary, you can choose the beneficiary who will receive the death benefits without telling your spouse or without getting your spouse's agreement. You can change the beneficiary at any time before you begin receiving benefits or before your death. Your spouse also has the right to agree in writing to allow you to select only a particular beneficiary.

Your spouse can agree to give up all or part of the QPSA benefit. If your spouse does so, the plan will pay him/her the part of the benefit he/she did not give up, and pay the remaining part of the benefit to the person or persons selected by you.

Your spouse can change their mind with respect to giving up their right to the QPSA benefit until the date of your death. After that date, your spouse cannot change this agreement. If your spouse changes their mind, he/she must notify the plan administrator in writing that they want to revoke the consent they previously provided on the most recent Retirement Plan Beneficiary Designation form.

Your spouse may lose their right to the QPSA benefit if your spouse and you become legally separated or divorced even if your spouse does not sign an agreement. However, if you become legally separated or divorced, your spouse might be able to get a special court order (called a qualified domestic relations order, QDRO) that specifically protects his/her rights to receive the QPSA benefit or that gives he/she other benefits under this plan. If you are thinking about separating or getting a divorce, your spouse should get legal advice on their rights to benefits from the plan.

The above example shows generally how the QPSA benefit is determined. If you want a personalized benefit estimate, please call 1-800-247-8000, ext. 753, 7a.m. - 9 p.m. (Monday-Friday) Central Time.