Mailing Address:
P.O. Box 9394
Des Moines, IA 50306-9394
FAX (866) 704-3481

Principal Life Insurance Company

In-Plan Roth Conversion – No Spousal Consent Needed

CTD00603

Complete this form to convert non-Roth funds within the plan.
Participant completes Sections 1, 2, 3 and 5.

Section 1 – Personal Information (Please print using black ink)

Plan Sponsor Name	Contract No./Plan ID No.
Participant Name (First) (Middle Initial) (Last)	Social Security Number / I.D. Number
Participant Address (Street) / City / State	ZIP Code + 4
Day Phone	Evening Phone

☐ I am a U.S. Person. (This includes a resident alien of the United States.)

☐ I am not a U.S. Person. (Note: Please complete and submit the appropriate version of IRS Form W-8 when returning this form.)

To learn more about how a U.S. Person is defined, please refer to Internal Revenue Service Publications 515 and 519, available on their website at *www.irs.gov*, or you may request a copy by calling 1-800-829-3676. Your tax advisor can also provide assistance.

Section 2 – Type of In-Plan Conversion (Refer to the Summary Plan Description to determine which withdrawal types are available.)

☐ **Qualified Reservist** – Participants who serve a period of military service of more than 180 days may be permitted to convert amounts attributable to non-Roth Elective Deferral contributions.

☐ **Active Military – Deemed Severance*** - Participants who serve a period of military service for more than 30 days may request a conversion of amounts attributable to non-Roth Elective Deferral contributions.

☐ **Voluntary** – Conversion of Employee Voluntary Non-Deductible or Employee Deductible contributions.

☐ **Rollover** - Conversion of Employee Rollover Contributions.

☐ **Active Participant** - Conversion (in accordance with plan provisions) of Vested Matching and/or Discretionary contributions.

☐ **Over age 59½** - Conversion (in accordance with plan provisions) following attainment of age 59½.

☐ **Other -** Normal Retirement Age, Terminated participants and Spouse Beneficiaries whose funds remain under the plan (in accordance with plan provisions) that does not meet any of the preceding categories.

*Elective Deferral contributions will be suspended for a period of 6 months from the date of the conversion and will resume after the suspension period ends in an amount defined by the plan. If you have questions, contact the Client Contact Center at 1-800-547-7754.

The number of conversions may be limited to a specified number in a 12 month period based on the type of conversion elected. Use the *personal* login at principal.com and refer to the *Summary Plan Description* or contact your employer for additional details on Eligible Rollover Distributions.

Section 3 – Amount of In-Plan Conversion

I would like to convert $ ___________(indicate a specific dollar amount) **OR** _______% (designate a percentage from 1 to 100%).

The requested conversion amount will be prorated from all applicable contribution types and investments in the account, unless instructed below. Due to market fluctuation, the amount available for conversion may be less than originally requested, in which case we will process a conversion for the maximum amount available.

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Revocability of Benefit Election:

You have elected to convert non-Roth funds within the plan. Your election becomes irrevocable once the conversion is processed.

For Account Information 24 hours a day 1-800-547-7754
Retirement Professionals are available:
7 A.M. – 9 P.M. Central Time (Monday – Friday)

Section 4 – Income Tax Withholding – Federal and State

Principal Life Insurance Company will not withhold taxes on in-plan Roth conversions however the conversion of pre-tax contributions and earnings thereon as well as earnings on after-tax contributions, if any, are subject to taxation. You will owe federal and state [if required] income taxes on the taxable portion of your in-plan Roth conversion. Please consult with your financial/tax advisor regarding the tax liability this conversion will create.

Elections to convert non-Roth funds to a Roth account within the plan must be received and contain all the necessary information to process the request on or before the close of market on the last open market date of the calendar year in order to receive current year tax treatment. In-plan Roth conversions containing missing or unclear instruction or are received after the close of market on the last open market date will be processed in the following tax year.

You may have the ability to elect a cash disbursement to offset your future tax liability. Cash disbursements will need to be elected separately via a Retirement Benefit Choices election form or an Early Withdrawal of Benefit form before the in-plan Roth conversion can be processed. If you elect a cash disbursement you may also need to pay an additional 10% tax unless you are older than 59½, disabled, or age 55 or older when separated from service. If you would like additional information on your options call the Client Contact Center at 1-800-547-7754.

Section 5 – Participant's Signature

I reviewed the information in Section 6 of this form and I understand my benefit choices.

I understand the tax consequences of this election and have consulted a tax advisor, if necessary. I certify the information I provide on this form is accurate and complete. This election cancels any prior election I made under this plan.

State Taxation ☐ Yes ☐ No Do you have elective deferrals in the plan that has already been taxed by your state of residence?

☐ Yes ☐ No If yes, have all elective deferrals accumulated in the account the plan holds for your benefit been taxed by your state of residence?

If all elective deferrals have not been taxed, what is the amount that has been taxed by your state of residence? $ __________________

Note: If you are unsure if any amounts have previously been taxed, please verify by contacting your Plan Administrator.

Participant Signature	Type or Print Name	Date
X		/ /

YOUR ROLLOVER OPTIONS FOR PLAN PAYMENTS NOT FROM DESIGNATED ROTH ACCOUNTS.

You are receiving this notice because all or a portion of a payment you are receiving from the plan may be eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the plan that are not from a designated Roth account (a type of account with special rules in some employer plans). If you also receive a payment from a designated Roth account in the plan, please refer to "Your Rollover Options for Plan Payments from Designated Roth Accounts" elsewhere in this notice with respect to that payment.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the plan
- Payments made directly to the government to satisfy a federal tax levy

- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to active duty after September 11, 2001 for more than 179 days.
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from my IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe state income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amounts paid from the plan, and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions,

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for the after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the plan. If you do a rollover of a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan.

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the plan, your plan benefits may be offset by the amount of the loan, typically when you employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If your payment is from a governmental section 457(b) plan

If the plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability, or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

You can roll over a payment from the plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA to a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You may convert a payment from the plan to a designated Roth account in an employer plan if the plan permits.

If you convert non-Roth funds within the plan

As of September 27, 2010 the Small Business Jobs and Credit Act (SMJCA) enables qualified 401(k), 403(b) and after December 31, 2010 governmental 457(b) plans which permit Roth elective deferral contributions to offer in-plan conversions of non-Roth account balances – provided the funds to be converted are distributable as an eligible rollover distribution per the terms of the plan.

If you convert non-Roth funds to a Roth account within the plan, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply. For 2010 in-plan Roth conversions the taxable amount can be spread over a 2-year period starting in 2011.

If you convert non-Roth funds to a Roth account within the plan, later payments from the Roth conversion account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth account is a payment made after you are 59½ (or after your death or disability) and may not be made within the first 5 taxable years after a Roth account is established. Payments from the Roth conversion account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). Your Roth conversion account balance is included when determining your required minimum distribution.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. (Note: this option may not be available in the plan until the 2010 plan year). Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover) you may request an income tax refund by filing form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information se also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200, the plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 will be directly rolled over to an IRA chosen by the plan administrator. A mandatory cashout is a payment from the plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (or such lower amount stated in the plan) not including any amounts held under the plan as a result of a prior rollover made to the plan.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the plan administrator or a professional tax advisor, before taking a payment from the plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans. These publications are available from a local IRS office, or on the web at www.irs.gov, or by calling 1-800-TAX-FORM.