



Personal Information (Please print or type with black ink)

Last Name		First Name		Middle Initial	<input type="checkbox"/> Male	Marital Status		<input type="checkbox"/> Single
					<input type="checkbox"/> Female			<input type="checkbox"/> Married
Address (Street)				(City, State, Zip)			Phone	
							() -	
Email Address			Expected Retirement Age		If you have been rehired, complete these dates:			
Social Security Number		Date of Birth		Date of Original Employment		Date of Termination		Date of Rehire
- -		/ /		/ /		/ /		/ /

Step 1: Select Your Deferral Percentage This agreement applies to amounts earned until changed by me in writing. I understand my plan sponsor may reduce my deferral only when required to meet certain plan limits.

Smart Start *The Fastest and Easiest Way to Start Saving Now!*

I understand that 4% of my current and future salary will be deducted per pay period, and these pre-tax dollars will be invested as I elect in Step 3.

OR

Custom Start *Choose Your Own Savings Approach!*

I understand that my current and future salary will be deducted per pay period as follows: ____% (1% to 100%) before tax deferral. These contributions will be invested as I elect in Step 3.

Decline Deferrals to the Plan *Think twice before selecting this option.*

STOP! You are choosing not to save for retirement through participation in your employer sponsored retirement plan.

I recognize the financial impact of not contributing to the plan and the effect this decision may have on my retirement income. I choose not to contribute to my employer's retirement plan and understand that because of this, I am not entitled to any employer matching contributions. This election does not affect my ability or right to receive other employer contributions or benefits under the plan for which I am eligible.

Step 2: Principal Step Ahead Retirement Option. You may also want to increase your pre-tax retirement savings each year by checking the Step Ahead box and entering a percentage to increase each year as well as the number of years to increase. (Does not apply to Roth contributions.)

Step Ahead *Increase Salary Deferrals Automatically*

I recognize the long-term benefit of automatically increasing my deferral rate. Increase my deferral rate by ____% each year for the next ____ years. This will be reported to my plan sponsor on each 07/01.

Step 3: Select Your Investment Election. Choose option 1 or 2. Your investment election will be effective when it is received in our Corporate Center. If no investment election is received or contributions are received prior to your investment election, contributions will be directed according to the provisions of the plan or contract, as appropriate. You may transfer your contributions or change investment election as allowed by the plan.

Do-it-for-me

Option 1: Principal LifeTime Portfolio *An Easier Way to Elect a Mix of Investment Options!* Please refer to Principal LifeTime article PQ3515/A for more information.

I understand contributions will be directed within the Principal LifeTime Portfolio based on my expected retirement age entered or as defined by my employer's retirement plan if no age is entered in the Personal Information section.
You can also go online to www.principal.com/investorquiz and complete the Quiz.

Do-it-myself

Option 2: Custom Investment Election *Design your own approach*

Invest all of my contributions made to this plan as I designate in the Customized Choices section of this form.

Option 2: Customized Choices

	New Contributions
Short-Term Fixed Income	
Principal Global Investors	
Money Market R2 Fund	_____ %
Fixed Income	
Principal Global Investors	
Bond & Mortgage Securities R2 Fund	_____ %
Balanced/Asset Allocation	
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime Strategic Income R2 Fund	_____ %
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime 2010 R2 Fund	_____ %
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime 2020 R2 Fund	_____ %
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime 2030 R2 Fund	_____ %
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime 2040 R2 Fund	_____ %
Prin Mgmt Corp/Prin Global Inv	
Principal LifeTime 2050 R2 Fund	_____ %
Large U.S. Equity	
AllianceBernstein / Westwood	
LargeCap Value III R2 Fund	_____ %
Columbus Circle Investors	
LargeCap Growth R2 Fund	_____ %
Principal Global Investors	
LargeCap S&P 500 Index R2 Fund	_____ %
T. Rowe Price Associates, Inc.	
LargeCap Blend II R2 Fund	_____ %
Small/Mid U.S. Equity	
Goldman Sachs/LA Capital Mgmt	
MidCap Value I R2 Fund	_____ %
Principal Global Investors	
MidCap S&P 400 Index R2 Fund	_____ %
Principal Global Investors	
SmallCap S&P 600 Index R2 Fund	_____ %
Principal Global Investors	
SmallCap Value R2 Fund	_____ %
Principal Real Estate Inv	
Real Estate Securities R2 Fund	_____ %
Turner/Mellon Capital Mgmt	
MidCap Growth III R2 Fund	_____ %
UBS/Emerald/Essex	
SmallCap Growth II R2 Fund	_____ %

International Equity	
Fidelity (Pyramis Global Adv)	
International I R2 Fund	_____ %
Principal Global Investors	
Diversified International R2 Fund	_____ %
Principal Global Investors	
International Emerging Markets R2 Fund	_____ %
TOTAL	100%

Rollover Funds (Complete if you would like to consolidate your retirement funds)

Yes! Tell me how The Principal can help me benefit from rolling over my retirement investments. Please call me at (____) ____ - ____ to discuss my options. The best time to call is ____am ____pm. My estimated rollover balance is _____. If I want to learn about rollover opportunities now, I will call The Principal at 1-800-547-7754.

Step 4 - Signature (Please sign below after you have completed this form)

Note: To help ensure you receive accurate reports that reflect the correct investment of the contributions made to the plan on your behalf, please review all reports regularly and report any discrepancy to us immediately.

Participant signature: X	Date ____/____/____
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For more information about this investment option, including its full name, please see The Principal Fund, Inc. Profile or visit the Principal Retirement Service Center® at www.principal.com. www.principal.com.

Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc is distributed by Principal Funds Distributor, Inc. Securities are offered through Princor Financial Services Corporation, 800-547-7754, member SIPC and/or independent brokers/dealers. Securities sold by Princor® Registered Representatives are offered through Princor. Principal Funds Distributor, Princor and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392.



Follow the steps below to roll funds into your employer's retirement plan.

Step 1: Personal Information (Please print or type with black ink)

Form with fields for Last Name, First Name, Middle Initial, Gender (Male/Female), Marital Status (Single/Married), Address (Street/City, State, Zip), Phone, Email Address, Social Security Number, Date of Birth, Date of Original Employment, Date of Termination, and Date of Rehire.

Step 2: Select Your Investment Election

Make your investment election(s) by showing the percentage you want directed to each investment option. The column must add up to 100%. This investment direction applies only to your rollover contribution. If we receive the rollover contribution before receiving this completed form, the rollover contribution may be allocated based on your current investment election or the plan's default investment option.

Table with 2 columns: Investment Option(s) and Rollover Contribution. Rows include categories like Short-Term Fixed Income, Fixed Income, Balanced/Asset Allocation, Large U.S. Equity, and Small/Mid U.S. Equity, each with specific fund names and percentage input fields.

Principal Global Investors SmallCap Value R2 Fund	_____ %
Principal Real Estate Inv Real Estate Securities R2 Fund	_____ %
Turner/Mellon Capital Mgmt MidCap Growth III R2 Fund	_____ %
UBS/Emerald/Essex SmallCap Growth II R2 Fund	_____ %
International Equity	
Fidelity (Pyramis Global Adv) International I R2 Fund	_____ %
Principal Global Investors Diversified International R2 Fund	_____ %
Principal Global Investors International Emerging Markets R2 Fund	_____ %
TOTAL	100%

Step 3: Rollover Information

The assets rolled over into this plan result from a distribution from a: (please check applicable boxes).

- | | | |
|--|---|--|
| <input type="checkbox"/> 401(a) Qualified Plan (pre-tax contributions) | <input type="checkbox"/> SIMPLE IRA | <input type="checkbox"/> 401(a) Qualified Plan (after tax contributions)** |
| <input type="checkbox"/> IRA* (pre-tax contributions) | <input type="checkbox"/> Simplified Employee Pension Plan (SEP) | <input type="checkbox"/> Roth 401(k) Contributions |
| <input type="checkbox"/> Governmental 457 Plan | <input type="checkbox"/> 403(b) Plan | |

Name of Financial Institution (where funds were held)	Previous Plan/Account Name and Number
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Amount of Pre Tax Distribution \$	Amount of After Tax Distribution** \$	Amount of Roth 401(k) Distribution \$	Year 1st Roth 401(k) Contribution was made / /
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*After tax contributions from an IRA may not be rolled to an employer sponsored retirement plan.

**After tax contributions can only be rolled over as a direct Trustee to Trustee transfer.

You may rollover a distribution from an IRA into an eligible retirement plan other than an IRA if part of the rollover is considered to come first from amounts other than after-tax contributions in any of your traditional IRAs and the rollover is from an IRA with after-tax income and the pre-tax amounts in other IRAs are sufficient to cover any after-tax amounts included in the IRA .

- An eligible retirement plan for these purposes means:
- Plans Qualified under 401(a)
 - 403(a or b) Annuity
 - Governmental 457 plan

Step 4: Request Rollover From Prior Financial Institution

- Contact the financial institution that currently holds your retirement funds to request a rollover.
- Instruct them to complete the rollover check as follows:

Checks must be made payable to:
 Delaware Charter Guarantee & Trust Company (d.b.a. Principal Trust Company) as Trustee for Retirement Plan Clients
 FBO Your Name
 Contract Number of the Retirement plan at Principal.

Please mail this completed form with your check to:
 The Principal Financial Group
 P.O. Box 9394
 Des Moines, IA 50306-9394

If you have questions or would like assistance in contacting the financial institution to obtain your rollover funds, please call our Client Contact Center at 1-800-547-7754.

Step 5: Participant Signature/Declaration (Please sign below after you have completed the form)

I may deposit only retirement funds that are allowed under my current employer's plan. I have verified with my current employer that these funds can be deposited according to plan provisions.

By signing below you declare this information is correct.

Participant Signature: X	Date ____/____/____
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Step 6: Plan Sponsor Signature (Please sign below after you have reviewed the form)

Based on the information above, this rollover contribution is acceptable according to the plan provisions. Principal Life Insurance Company is directed to accept this rollover contribution and keep the appropriated records and accounts.

Plan Sponsor or Trustee Signature X	Date ____/____/____
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Step 7: Submit Rollover Declaration Form and Check

You or your current plan sponsor can return your completed form:

- Check enclosed Financial Institution will forward

Mail to:
Principal Life Insurance Company
P.O. Box 9394
Des Moines, IA 50306-9394

Fax to:
1-866-704-3481

^A For more information about this investment option, including its full name, please see *The Principal Fund, Inc. Profile* or visit the *Principal Retirement Service Center*® at www.principal.com.

Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal Fund is distributed by and securities are offered through Princor Financial Services Corporation, 1-800-247-4123, member SIPC. Princor and Principal Life are members of The Principal Financial Group, Des Moines, IA 50392.

**Retirement Plan
Beneficiary Designation
Without QPSA Requirement**

Plan ID 7-08718

Location Number : _____

CTD01304

Personal Information (Please print or type with black ink)

Last Name	First Name	Middle Initial	Social Security Number
Phone Number: ()		E-mail:	

Beneficiary Designation Choices (MUST CHOOSE OPTION 1, 2, OR 3)

MUST CHECK ONE BOX

1. Married with Spouse as Sole Beneficiary (Spouse's signature is not required)
I am **Married** and designate my spouse named **below** to receive **all** death benefits from the plan.

2. Single Participants (including widowed, divorced, or legally separated)
I am **Not Married** and designate the individual(s) named **below** to receive death benefits from the plan. I understand if I marry, this designation is void one year after my marriage (some plans specify a shorter period).
Note: If changing your beneficiary due to a legal separation or divorce, then you must attach a copy of the court decree.

3. Married with Spouse NOT as Sole Primary Beneficiary (Spouse's signature REQUIRED)
I am **Married** and designate the individual(s) named **below** to receive death benefits in accordance with the plan provisions.
Note: If you are married and do not name your spouse as the Sole Primary Beneficiary, your spouse must sign the consent below. The signature must be witnessed by a Plan Representative or Notary Public. If you are younger than 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 this designation to remain effect.

(Check if applicable) I certify that my spouse cannot be located to sign this consent. I will notify the plan sponsor if my spouse is located. **Note: If your spouse cannot be located, check this box and have it witnessed by the Plan Representative. It must be established to the satisfaction of the Plan Representative that your spouse cannot be located.**

I certify that it has been established to my satisfaction that spousal consent cannot be obtained because your spouse cannot be located.	Plan Representative's Signature X	Date / /
Notice to Spouse: <input type="checkbox"/> By checking this box, I agree only to the beneficiary designation on this form. My spouse cannot change the beneficiary without my consent.	Spouse's Signature (must be witnessed by Plan Representative or Notary Public) X	Date / /
The spouse appeared before me and signed the consent on ____/____/____.	Plan Representative or Notary Public Signature X	Date / /

MUST COMPLETE BENEFICIARY DESIGNATION

Before completing, please read the information on the back of this form for direction and examples.

Note: Unless otherwise provided, if two or more beneficiaries are named, the proceeds shall be paid to the named beneficiaries, or to the survivor or survivors, in equal shares.

Name [Primary Beneficiary (s)]	Date of Birth	Relationship	Soc. Sec. No.	Address	Percent

If Primary Beneficiary is not living, pay death benefits to:

Name [Contingent Beneficiary(s)]	Date of Birth	Relationship	Soc. Sec. No.	Address	Percent

Name Change

Change my name: From _____ to _____ Date Changed: ____/____/____
Reason: Married Divorce - Will need to attach divorce decree. Other (reason): _____

Please retain a copy for your records

Participant Signature

This designation revokes all prior designations made under the plan.

Participant's Signature (Required)

Date

X

/ /

Received and filed by Principal Life Ins.

Date Received

UNDER THE PENALTIES OF PERJURY, I certify by my signature that all of the information on this Beneficiary Designation form is true, current and complete.

Beneficiary Designation Direction

Read carefully before completing this form

To be sure death benefits are paid as you want them, follow these guidelines:

- Use Choice (1)** if you are married and want all death benefits from the Plan paid to your spouse. Your spouse does not have to sign the form.
- Use Choice (2)** if you are not married
- Use Choice (3)** If you are married and want death benefits paid to someone other than your spouse, in addition to your spouse or to a Trust or Estate, **your spouse must sign the spouse's consent on this form.** That signature must be witnessed by a Plan Representative or Notary Public.

You may name one or more contingent beneficiaries. In most circumstances, your contingent beneficiary(ies) will only receive a death benefit if the primary beneficiary predeceases you and the death benefit has not been paid in full.

Be sure you sign and date the form. Keep a copy of this form for your records. Return the original to your plan sponsor. If you do not date the form, the designation will become effective the day received by your plan sponsor or Principal Life Insurance Company, depending upon plan provisions.

If your marital status changes, review your beneficiary designation to be sure it meets these requirements. If your name changes, complete the name change sections of this form.

Sample Beneficiary Designations





Be sure to use given names such as "Mary M Doe", not "Mrs. John Doe" and include the address and relationship of the beneficiary or beneficiaries to the participant. The following designations may be helpful to you:











	Name	Relationship	Soc. Sec. No.	Address	Amount or Percent
One Primary Beneficiary	Mary M. Doe	Sister	XXX-XX-XXXX	XXXXXXXXXXXX	100%
Two Primary Beneficiaries	Jane J. Doe John J Doe or to the survivor	Mother Father	XXX-XX-XXXX XXX-XX-XXXX	XXXXXXXXXXXX XXXXXXXXXXXX	50% 50%
One Primary Beneficiary and One Contingent	Jane J Doe if living; otherwise to John J Doe	Wife Son	XXX-XX-XXXX XXX-XX-XXXX	XXXXXXXXXXXX XXXXXXXXXXXX	100% 100%
Estate	My Estate				100%
Trust	ABC Bank and Trust Co.	Trustee or successor in trust under (Trust Name) established (Date of Trust Agreement)		XXXXXXXXXXXX	100%
Testamentary Trust (Trust established within the participant's will)	John J Doe/ ABC Bank	Trust created by the Last Will and Testament of the participant		XXXXXXXXXXXX	100%
Children and Grandchildren (If Beneficiary is a minor, use sample wording shown below.)	John J Doe Jane J. Doe William J Doe	Son Daughter Son	XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX	XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX	33.3% 33.3% 33.4%
Minor Children (Custodian for Minor)	<p>Provided that if any of my children predeceases me, the surviving children of any such child shall receive in equal portions the share their parent would have received, if living.</p> <p>If no child of a deceased child survives, the share of that child of mine shall go to the survivor or survivors of my children, equally.</p> <p>John J. Doe, son and Jane J. Does, daughter, equally, or to the survivor. However, if any proceeds become payable to a beneficiary who is a minor as defined in the Iowa Uniform Transfers to Minors Act (UTMA), such proceeds shall be paid to Frank Doe, as custodian for John Doe under the Iowa UTMA and Frank Doe, as custodian for Jane Doe under the Iowa UTMA.</p>				






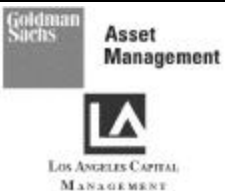

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including most recent month-end performance, visit the Principal Retirement Service Center® at www.principal.com, contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.









The gross total investment expense figure does not reflect any waivers or caps on the mutual fund or underlying mutual fund in which a Separate Account invests. Returns displayed are always based on net total investment expense. For more information on net total investment expense figures, please access the Investment Option Profile by visiting the Principal Sponsor Service Center at www.principal.com, contact your representative of the Principal Financial Group®, or call our Client Contact Center at 1-800-547-7754.




Money Market Funds are not guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money.

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2008							Total Investment Expense Gross
		YTD Ret.	1-Year	3-Year	5-Year	10-Year	Since Incept*	Incept Date	
Short-Term Fixed Income									
Money Market									
	Money Market R2 Fund^{6,A} The investment seeks as high a level of current income as is considered consistent with preservation of principal and maintenance of liquidity. The fund invests assets in a portfolio of high quality, short-term money market instruments. The investments are U.S. dollar denominated securities which the management believes present minimal credit risks. It maintains a dollar weighted average portfolio maturity of 90 days or less. The fund intends to hold its investments until maturity.	1.93	1.93	3.38	2.51	-	2.11	12/2000	1.14
Fixed Income									
Intermediate-Term Bond									
	Bond & Mortgage Securities R2 Fund^{19,20,A} The investment seeks current income. The fund normally invests at least 80% of net assets in intermediate maturity fixed-income or debt securities rated BBB or higher by Standard & Poor's Rating Service ("S&P") or Baa or higher by Moody's Investors Service, Inc. ("Moody's"). It may invest the rest of assets in preferred and common stock; or securities rated less than the four highest grades of S&P or Moody's but not lower than CCC-(S&P) or Caa (Moody's).	-14.87	-14.87	-3.30	-0.90	-	1.79	12/2000	1.27
Balanced/Asset Allocation									
Target-Date 2000-2014									
 	Principal LifeTime Strategic Income R2 Fund^{17,18,20,21,29} The investment seeks current income. The fund invests in underlying fixed-income funds, but also invests in underlying equity and hybrid funds according to an asset allocation strategy designed for investors seeking current income from their investment. It invests most of the assets in underlying funds which are intended primarily to give the fund broad exposure to income-producing securities through their investments in fixed-income securities, "hybrid" securities and dividend generating domestic and foreign stocks.	-22.87	-22.87	-5.50	-0.74	-	1.08	3/2001	1.43

Investment Advisor		Investment Option Name and Description	Average Annualized Return as of 12/31/2008							Total Investment Expense Gross
			YTD Ret.	1-Year	3-Year	5-Year	10-Year	Since Incept*	Incept Date	
		Principal LifeTime 2010 R2 Fund ^{17,18,20,21,29} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisors discretion.	-30.83	-30.83	-7.51	-1.67	-	0.39	3/2001	1.52
Target-Date 2015-2029										
		Principal LifeTime 2020 R2 Fund ^{17,18,20,21,29} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisors discretion.	-34.21	-34.21	-7.97	-1.48	-	0.44	3/2001	1.57
Target-Date 2030+										
		Principal LifeTime 2030 R2 Fund ^{17,18,20,21,29} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisors discretion.	-36.76	-36.76	-8.61	-1.66	-	-0.06	3/2001	1.60
		Principal LifeTime 2040 R2 Fund ^{17,18,20,21,29} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisors discretion.	-38.61	-38.61	-9.22	-1.94	-	-0.22	3/2001	1.62
		Principal LifeTime 2050 R2 Fund ^{17,18,20,21,29} The investment seeks a total return consisting of long-term growth of capital and current income. The fund invests in underlying Principal domestic and foreign equity, hybrid, and fixed-income funds according to an asset allocation strategy designed for investors having an investment time horizon comparable to that of the fund. It allocates the assets more conservatively over time. The fund may invest in any of the Institutional Class shares of the equity funds or fixed-income funds of Principal Funds, at the sub-advisors discretion.	-39.53	-39.53	-9.51	-2.00	-	-0.87	3/2001	1.64

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2008						Since Incept*	Incept Date	Total Investment Expense Gross
		YTD Ret.	1-Year	3-Year	5-Year	10-Year				
Large U.S. Equity										
Large Value										
 	LargeCap Value III R2 Fund ^{14,25,27,A} The investment seeks long-term growth of capital. The fund generally invests at least 80% of assets in companies with large market capitalizations at the time of purchase. The fund may invest up to 25% of assets in securities of foreign companies. AllianceBernstein invests primarily in undervalued equity securities of companies that it believes offer above average potential for growth in future earnings. Westwood generally invests in equity securities of domestic companies, but may also invest in equity securities of foreign companies and American Depositary Receipts.	-41.30	-41.30	-12.11	-4.41	-	-0.59	12/2000	1.51	
Large Blend										
	LargeCap S&P 500 Index R2 Fund ^{2,7,A} The investment seeks long-term growth of capital. The fund invests at least 80% of net assets in common stocks of companies that compose the S&P 500 index. As of December 31, 2007, the market capitalization range of the index was between approximately \$0.7 billion and \$511.9 billion.	-37.51	-37.51	-9.15	-3.07	-	-4.04	12/2000	0.91	
	LargeCap Blend II R2 Fund ^{13,24,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in common stocks of companies with large market capitalizations (those with market capitalizations within the range of companies in the S&P 500 index) at the time of purchase. It will generally remain fully invested (less than 5% cash reserves) and will have approximately the same industry weightings as compared to the S&P 500 index.	-37.04	-37.04	-8.71	-2.83	-	-2.23	12/2000	1.50	
Large Growth										
	LargeCap Growth R2 Fund ^{12,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of net assets (plus any borrowings for investment purposes) in equity securities of companies with market capitalizations within the range of companies in the Russell 1000 Growth index (as of December 31, 2007, this range was between approximately \$0.6 billion and \$527.8 billion) at the time of purchase. It may also purchase futures and options, in keeping with fund's objectives.	-43.16	-43.16	-8.84	-1.81	-	-6.83	12/2000	1.38	
Small/Mid U.S. Equity										
Mid Cap Value										
	MidCap Value I R2 Fund ^{1,10,11,A} The investment seeks long term growth of capital. The fund invests at least 80% of assets in a diversified portfolio of equity investments in mid cap issuers with a medium market capitalization (those with market capitalizations similar to companies in the Russell MidCap Value index) at the time of purchase. It may invest up to 25% of net assets in securities of foreign companies, including securities of issuers in emerging countries and securities quoted in foreign currencies.	-36.24	-36.24	-9.33	0.77	-	0.75	6/2004	1.75	
Mid Cap Blend										
	MidCap S&P 400 Index R2 Fund ^{1,2,9,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in common stocks of companies that compose the S&P MidCap 400 index. It attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as in the S&P 400 index.	-36.85	-36.85	-9.55	-1.01	-	1.09	12/2000	0.92	

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2008							Total Investment Expense Gross
		YTD Ret.	1-Year	3-Year	5-Year	10-Year	Since Incept*	Incept Date	
Mid Cap Growth									
 	MidCap Growth III R2 Fund^{1,26,28,A} The investment seeks long-term growth of capital. The fund invests primarily in common stocks and other equity securities of U.S. companies with strong earnings growth potential. It normally invests at least 80% of assets in companies with market capitalizations similar to those of companies in the Russell Midcap Growth index. It may invest in securities of companies that are diversified across economic sectors. The fund may invest up to 25% of assets in foreign securities.	-48.81	-48.81	-12.59	-3.71	-	-6.77	12/2000	1.75
Small Value									
	SmallCap Value R2 Fund^{1,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in common stocks of companies with small market capitalizations (those with market capitalizations similar to companies in the Russell 2000 Value index) at the time of purchase. It may invest up to 25% of assets in securities of foreign companies. The fund may invest in initial public offerings.	-28.36	-28.36	-8.10	0.04	-	6.06	12/2000	1.50
Small Blend									
	SmallCap S&P 600 Index R2 Fund^{1,2,8,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of the assets in common stocks of companies that compose the Standard & Poor's ("S&P") SmallCap 600 index. It attempts to mirror the investment performance of the Index by allocating the Fund's assets in approximately the same weightings as the S&P SmallCap 600 Index. The S&P SmallCap 600 is an unmanaged index of 600 domestic stocks chosen for market size, liquidity and industry group representation. It is unlikely that a perfect correlation of 1.00 will be achieved.	-31.64	-31.64	-8.29	-0.03	-	3.41	12/2000	0.91
Small Growth									
  	SmallCap Growth II R2 Fund^{1,4,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in common stocks of companies with small market capitalizations (those with market capitalizations equal to or smaller than the greater of \$2.5 billion or the highest market capitalization of the companies in the Russell 2000 Growth index) at the time of purchase. It may invest up to 25% of assets in securities of foreign companies. It may, but is not required to, use derivative instruments for risk management purposes or as part of the fund's investment strategies.	-42.62	-42.62	-13.30	-5.22	-	-6.77	12/2000	1.75
Real Estate									
	Real Estate Securities R2 Fund^{5,A} The investment seeks to generate a total return. The fund normally invests at least 80% of the net assets (plus any borrowings for investment purposes) in equity securities of companies principally engaged in the real estate industry, which include real estate investment trusts and companies with substantial real estate holdings such as paper, lumber, hotel and entertainment companies.	-33.05	-33.05	-9.46	2.55	-	7.95	12/2000	1.58

Investment Advisor	Investment Option Name and Description	Average Annualized Return as of 12/31/2008							Total Investment Expense Gross
		YTD Ret.	1-Year	3-Year	5-Year	10-Year	Since Incept*	Incept Date	
International Equity									
Diversified Emerging Markets									
	International Emerging Markets R2 Fund^{3,22,A} The investment seeks long-term growth of capital. The fund normally invests at least 80% of net assets (plus any borrowings for investment purposes) in equity securities of emerging market country, which means any country considered to be an emerging country by the international financial community (including the International Bank for Reconstruction and Development and the International Financial Corporation). It may engage in financial derivatives transactions, for portfolio and currency hedging purposes.	-54.81	-54.81	-4.64	7.89	-	8.96	12/2000	2.04
Foreign Large Blend									
	International I R2 Fund^{3,11,23,A} The investment seeks long-term growth of capital. The fund normally invests the fund's assets primarily in non-U.S. securities. Pyramis normally invests the fund's assets primarily in common stocks of companies with large market capitalizations (those with market capitalizations similar to companies in the MSCI EAFE (Europe, Australia and Far East) index at the time of purchase. It normally diversifies the investments across different countries and regions.	-44.66	-44.66	-7.38	1.40	-	1.48	6/2004	1.87
	Diversified International R2 Fund^{3,A} The investment seeks long-term growth of capital. The fund invests in a portfolio of equity securities of companies domiciled in any of the nations of the world, primary in such regions as Western Europe, Canada, Australia, New Zealand, and the Pacific Islands. It normally intends to have at least 80% of the net assets (plus any borrowings for investment purposes) invested in companies in at least three different countries, one of which may be the U.S. though currently the fund does not intend to invest in equity securities of U.S. companies. The fund may invest in smaller capitalization companies.	-46.67	-46.67	-8.06	2.68	-	-0.26	12/2000	1.66

^A For more information about this investment option, including its full name, please see The Principal Investors Fund, Inc. Profile or visit the Principal Retirement Service Center ® at www.principal.com.

Returns shown for periods of less than one year are not annualized. All returns displayed here are after net Total Investment Expense of the investment option.

Redemption fees and/or transfer restrictions apply to certain transactions.

For a Mutual Fund investment option, net Total Investment Expense equals the sum of (a) the total fund operating expense plus (b) if the mutual fund invests in other mutual funds, the weighed-average management fee of those other mutual funds, as listed in the most recent prospectus. The actual net Total Investment Expense may change if the mutual fund investment option's allocation of assets to other mutual funds changes.

These results are for the investment options selected by your plan, and may be different from the results for other plans.

Past performance is not a guarantee of future results. Principal values and investment returns will fluctuate so that values upon redemption may be worth more or less than original costs. Total returns illustrated are net of investment expenses and management fees.

¹Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.

²Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.

³International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.

⁴Effective May 1, 2002, this portfolio was sub-advised solely by UBS Global Asset Management. Effective September 1, 2004, Emerald Advisers was added as an additional sub-advisor. Effective June 30, 2006, Essex was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

⁵Real estate investment options are subject to some risks inherent in real estate and Real Estate Investment Trusts, such as risks associated with general and local economic conditions.

⁶Money Market Funds are not guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money.

⁷S&P 500 is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.

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¹⁰Effective October 3, 2005, LA Capital was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

¹¹These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect a portion of the fees and expenses of this share class. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale. Expenses are deducted from income earned by the fund. As a result, dividends and investment results will differ for each share class.

¹²Effective January 5, 2005, this portfolio is sub-advised by Columbus Circle Investors. Prior to January 5, 2005, the portfolio was sub-advised by Principal Global Investors.

¹³Effective March 8, 2004, this portfolio is sub-advised by T. Rowe Price Associates, Inc. Prior to March 8, 2004, the portfolio was sub-advised by Federated Investment Management.

¹⁴From March 1, 2006 to December 31, 2007, Bank of New York served as a sub-advisor for managing the cash portion of this investment option.

¹⁷Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.

¹⁸Asset allocation does not guarantee a profit or protect against a loss. Investing in real estate, small-cap, international, and high-yield investment options involves additional risks.

¹⁹Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.

²⁰Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.

²¹This Principal LifeTime Fund indirectly bears its pro rata share of the management fees incurred by the underlying Principal Funds in which this fund invests. Based on the asset allocation of the Principal LifeTime Funds outlined in the prospectus dated February 29, 2008, the weighted average operating expenses of the underlying funds are: Principal LifeTime Strategic Income, 0.55%; Principal LifeTime 2010, 0.65%; Principal LifeTime 2015, 0.70%; Principal LifeTime 2020, 0.70%; Principal LifeTime 2025, 0.74%; Principal LifeTime 2030, 0.73%; Principal LifeTime 2035, 0.75%; Principal LifeTime 2040, 0.75%; Principal LifeTime 2045, 0.77%; Principal LifeTime 2050, 0.76%; Principal LifeTime 2055, 0.77%. While the operating expenses of the underlying mutual funds are not part of the Principal LifeTime Fund's operating expenses they are included in the Total Investment Expense. Performance results shown for the Principal LifeTime Fund reflect the application of these expenses.

²²Instances of high double-digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

²³Formerly known as International Fund.

²⁴Formerly known as LargeCap Blend Fund.

²⁵Formerly known as LargeCap Value Fund.

²⁶Formerly known as MidCap Growth Fund.

²⁷Effective July 15, 2008, Westwood Management Corp. was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

²⁸Effective November 21, 2008, Mellon Capital Management was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

²⁹Effective July 1, 2009, the management fee component of the gross and net Total Investment Expense of Principal LifeTime Funds will be reduced to 0.03% annually, from 0.1225%.

³⁰The 7-Day Simple Yield % more closely reflects the current earnings of this money market investment option than the total return displayed.

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Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc is distributed by Principal Funds Distributor, Inc. Securities are offered through Princor Financial Services Corporation, 800-547-7754, member SIPC and/or independent brokers/dealers. Securities sold by Princor® Registered Representatives are offered through Princor. Principal Funds Distributor, Princor and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392.



Principal Life Insurance Company

404(c) NOTICE TO ALL PLAN PARTICIPANTS

02/19/2009

**CHILD DEVELOPMENT SERVICES 403(B)
PLAN
Plan ID 7-8718**

Important

The plan sponsor chose to qualify the Plan as an ERISA 404(c) plan. This means the plan fiduciary should not be liable for any investment losses that result from a participant's investment control. Please read on for more information.

The enclosed materials use these defined words and phrases:

Plan means **CHILD DEVELOPMENT SERVICES 403(B) PLAN.**

Plan Fiduciary means the individual(s) holding authority over the operation and administration of the Plan and its retirement funds. The Plan Sponsor is the Plan Fiduciary.

Plan Sponsor means **CHILD DEVELOPMENT SERVICES.**

You means the plan participant or beneficiary.

Plan's 404(c) Contact means the individual(s) you should contact if you have any questions about the investment options under the Plan. The Plan's 404(c) Contact is:

DEBRA HANNIGAN
146 STATE HOUSE STA
AUGUSTA, ME 04333-0146
UNITED STATES OF AMERICA

The Plan's 404(c) Contact can provide the following additional information, if asked.

General Fund Expenses

- A copy of the most recent prospectus is available from the Plan Fiduciary.

Financial Statements provided to the Plan Sponsor by the investment manager(s)

- Annual reports of the investment manager
- Plan investment performance
- Prospectus made available by the Plan Sponsor.

Portfolio Assets

- List of the assets and their values in the portfolio

Investment Performance

- Past, current, and specific investment performance of each fund. (Note: This is already provided in the Investment Option Summary.)

Values of Shares

- Values of shares in your account. (Note: You can find the values of your various accounts in your retirement plan statement)



GENERAL INFORMATION

Investment Responsibility

The Employee Retirement Income Security Act (ERISA) provides rules about the investment of retirement funds. ERISA §404(c) lets a Plan Fiduciary transfer some responsibility for the investment of retirement funds to plan participants. The Plan Sponsor intends to comply with ERISA §404(c) requirements by providing information for you to make informed investment decisions and by letting you:

- direct the investment of individual retirement accounts
- choose from at least three diverse investment options, and
- change investment choices at least quarterly.

How Does This Affect You?

To help you make informed investment choices and for more information about the investment options available to you, including investment objectives, performance, and fees, please review the enclosed materials or visit us at www.principal.com. (Note: The 404(c) Contact will provide information about any other investment choices available under the Plan and not previously mentioned in these materials.)

The Plan Fiduciary makes certain investment options available under the Plan. You decide which of those options works best for you according to your age and circumstances. This means that you are responsible for directing the investment in the accounts. It also may relieve the Plan Fiduciary of liability for any losses that result from your investment choices.

TRANSFERRING INVESTMENTS

You can transfer funds between the different investment options at least quarterly. The Plan may allow for more frequent transfers. To transfer funds, you need to use TeleTouch® or the Internet.

You choose from a variety of investment options. For detailed information about the investment options, see the enclosed descriptions or visit us at www.principal.com.

Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Principal Fund is distributed by and securities are offered through Princor Financial Services Corporation, 1-800-247-4123, member SIPC. Princor and Principal Life are members of The Principal Financial Group, Des Moines, IA 50392.