

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2022

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE (specify), the first return/report, the final return/report, an amended return/report, a short plan year return/report (less than 12 months)
B This return/report is:
C If the plan is a collectively-bargained plan, check here
D Check box if filing under: Form 5558, automatic extension, the DFVC program, special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here

Part II Basic Plan Information—enter all requested information

1a Name of plan: THE PRINCIPAL LONG TERM DISABILITY PLAN FOR INDIVIDUAL FIELD
1b Three-digit plan number (PN): 507
1c Effective date of plan: 09/01/1994
2a Plan sponsor's name (employer, if for a single-employer plan): PRINCIPAL LIFE INSURANCE COMPANY
2b Employer Identification Number (EIN): 42-0127290
2c Plan Sponsor's telephone number: 800-986-3343
2d Business code (see instructions): 524140

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include signatures of plan administrator (Anthony Treadway), employer/plan sponsor (Lisa Coulson), and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022) v. 220413

<p><b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor</p> <p style="color: blue;">BENEFIT PLANS ADMINISTRATION COMMITTEE</p> <p style="color: blue;">711 HIGH STREET DES MOINES, IA 50392-0001</p>	<p><b>3b</b> Administrator's EIN 27-3605376</p> <p><b>3c</b> Administrator's telephone number 800-986-3343</p>
<p><b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:</p> <p><b>a</b> Sponsor's name</p> <p><b>c</b> Plan Name</p>	<p><b>4b</b> EIN</p> <p><b>4d</b> PN</p>
<p><b>5</b> Total number of participants at the beginning of the plan year</p>	<p><b>5</b> 562</p>
<p><b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b>, <b>6a(2)</b>, <b>6b</b>, <b>6c</b>, and <b>6d</b>).</p>	
<p><b>a(1)</b> Total number of active participants at the beginning of the plan year .....</p>	<p><b>6a(1)</b> 562</p>
<p><b>a(2)</b> Total number of active participants at the end of the plan year .....</p>	<p><b>6a(2)</b> 0</p>
<p><b>b</b> Retired or separated participants receiving benefits .....</p>	<p><b>6b</b></p>
<p><b>c</b> Other retired or separated participants entitled to future benefits.....</p>	<p><b>6c</b></p>
<p><b>d</b> Subtotal. Add lines <b>6a(2)</b>, <b>6b</b>, and <b>6c</b>.....</p>	<p><b>6d</b> 0</p>
<p><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....</p>	<p><b>6e</b></p>
<p><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....</p>	<p><b>6f</b> 0</p>
<p><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....</p>	<p><b>6g</b></p>
<p><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....</p>	<p><b>6h</b></p>
<p><b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....</p>	<p><b>7</b></p>
<p><b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:</p>	
<p><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:</p> <p style="color: blue;">4H</p>	
<p><b>9a</b> Plan funding arrangement (check all that apply)</p> <p>(1) <input checked="" type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>	<p><b>9b</b> Plan benefit arrangement (check all that apply)</p> <p>(1) <input checked="" type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>
<p><b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)</p>	
<p><b>a Pension Schedules</b></p> <p>(1) <input type="checkbox"/> <b>R</b> (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p>	<p><b>b General Schedules</b></p> <p>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)</p> <p>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)</p> <p>(3) <input checked="" type="checkbox"/> <sup>1</sup> <b>A</b> (Insurance Information)</p> <p>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)</p> <p>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)</p>

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

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**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

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**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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**SCHEDULE A  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Insurance Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

<b>A</b> Name of plan <b>THE PRINCIPAL LONG TERM DISABILITY PLAN FOR INDIVIDUAL FIELD</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>507</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRINCIPAL LIFE INSURANCE COMPANY</b>	<b>D</b> Employer Identification Number (EIN) <b>42-0127290</b>

**Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1 Coverage Information:**

**(a)** Name of insurance carrier  
**PRINCIPAL LIFE INSURANCE COMPANY**

<b>(b)</b> EIN	<b>(c)</b> NAIC code	<b>(d)</b> Contract or identification number	<b>(e)</b> Approximate number of persons covered at end of policy or contract year	<b>Policy or contract year</b>	
				<b>(f)</b> From	<b>(g)</b> To
<b>42-0127290</b>	<b>61271</b>	<b>1153353</b>	<b>0</b>	<b>03/01/2022</b>	<b>12/31/2022</b>

**2 Insurance fee and commission information.** Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

<b>(a)</b> Total amount of commissions paid <b>0</b>	<b>(b)</b> Total amount of fees paid <b>0</b>
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**3 Persons receiving commissions and fees.** (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

<b>Part II</b>	<b>Investment and Annuity Contract Information</b>	
	Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.	
<b>4</b>	Current value of plan's interest under this contract in the general account at year end.....	<b>4</b>
<b>5</b>	Current value of plan's interest under this contract in separate accounts at year end.....	<b>5</b>
<b>6</b>	Contracts With Allocated Funds:	
<b>a</b>	State the basis of premium rates ▶	
<b>b</b>	Premiums paid to carrier .....	<b>6b</b>
<b>c</b>	Premiums due but unpaid at the end of the year .....	<b>6c</b>
<b>d</b>	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	<b>6d</b>
<b>e</b>	Type of contract: (1) <input type="checkbox"/> individual policies                      (2) <input type="checkbox"/> group deferred annuity (3) <input type="checkbox"/> other (specify) ▶	
<b>f</b>	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ <input type="checkbox"/>	
<b>7</b>	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)	
<b>a</b>	Type of contract: (1) <input type="checkbox"/> deposit administration                      (2) <input type="checkbox"/> immediate participation guarantee (3) <input type="checkbox"/> guaranteed investment                      (4) <input type="checkbox"/> other ▶	
<b>b</b>	Balance at the end of the previous year .....	<b>7b</b>
<b>c</b>	Additions: (1) Contributions deposited during the year .....	<b>7c(1)</b>
	(2) Dividends and credits.....	<b>7c(2)</b>
	(3) Interest credited during the year.....	<b>7c(3)</b>
	(4) Transferred from separate account.....	<b>7c(4)</b>
	(5) Other (specify below) .....	<b>7c(5)</b>
	▶	
	(6) Total additions.....	<b>7c(6)</b>
<b>d</b>	Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) .....	<b>7d</b>
<b>e</b>	Deductions:	
	(1) Disbursed from fund to pay benefits or purchase annuities during year .....	<b>7e(1)</b>
	(2) Administration charge made by carrier.....	<b>7e(2)</b>
	(3) Transferred to separate account.....	<b>7e(3)</b>
	(4) Other (specify below) .....	<b>7e(4)</b>
	▶	
	(5) Total deductions.....	<b>7e(5)</b>
<b>f</b>	Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ).....	<b>7f</b>

**Part III Welfare Benefit Contract Information**  
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

- 8** Benefit and contract type (check all applicable boxes)
- |  |   |   |   |
|--|---|---|---|
| <b>a</b> <input type="checkbox"/> Health (other than dental or vision)         | <b>b</b> <input type="checkbox"/> Dental                          | <b>c</b> <input type="checkbox"/> Vision                    | <b>d</b> <input type="checkbox"/> Life insurance                |
| <b>e</b> <input type="checkbox"/> Temporary disability (accident and sickness) | <b>f</b> <input checked="" type="checkbox"/> Long-term disability | <b>g</b> <input type="checkbox"/> Supplemental unemployment | <b>h</b> <input type="checkbox"/> Prescription drug             |
| <b>i</b> <input type="checkbox"/> Stop loss (large deductible)                 | <b>j</b> <input type="checkbox"/> HMO contract                    | <b>k</b> <input type="checkbox"/> PPO contract              | <b>l</b> <input checked="" type="checkbox"/> Indemnity contract |
| <b>m</b> <input type="checkbox"/> Other (specify) ▶                            |   |   |   |

**9** Experience-rated contracts:

<b>a</b> Premiums: (1) Amount received .....	<b>9a(1)</b>		
(2) Increase (decrease) in amount due but unpaid .....	<b>9a(2)</b>		
(3) Increase (decrease) in unearned premium reserve.....	<b>9a(3)</b>		
(4) Earned ((1) + (2) - (3)).....		<b>9a(4)</b>	
<b>b</b> Benefit charges (1) Claims paid.....	<b>9b(1)</b>		
(2) Increase (decrease) in claim reserves .....	<b>9b(2)</b>		
(3) Incurred claims (add (1) and (2)).....		<b>9b(3)</b>	
(4) Claims charged .....		<b>9b(4)</b>	
<b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions .....	<b>9c(1)(A)</b>		
(B) Administrative service or other fees .....	<b>9c(1)(B)</b>		
(C) Other specific acquisition costs.....	<b>9c(1)(C)</b>		
(D) Other expenses .....	<b>9c(1)(D)</b>		
(E) Taxes .....	<b>9c(1)(E)</b>		
(F) Charges for risks or other contingencies .....	<b>9c(1)(F)</b>		
(G) Other retention charges.....	<b>9c(1)(G)</b>		
(H) Total retention.....		<b>9c(1)(H)</b>	
(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.).....		<b>9c(2)</b>	
<b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		<b>9d(1)</b>	
(2) Claim reserves .....		<b>9d(2)</b>	
(3) Other reserves .....		<b>9d(3)</b>	
<b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		<b>9e</b>	
<b>10</b> Nonexperience-rated contracts:			
<b>a</b> Total premiums or subscription charges paid to carrier .....	<b>10a</b>		161460
<b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount .....	<b>10b</b>		
Specify nature of costs.			

**Part IV Provision of Information**

- 11** Did the insurance company fail to provide any information necessary to complete Schedule A? .....  Yes  No
- 12** If the answer to line 11 is "Yes," specify the information not provided. ▶

**SCHEDULE C  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Service Provider Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

<b>A</b> Name of plan <u>THE PRINCIPAL LONG TERM DISABILITY PLAN FOR INDIVIDUAL FIELD</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>507</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>PRINCIPAL LIFE INSURANCE COMPANY</u>	<b>D</b> Employer Identification Number (EIN) <u>42-0127290</u>	

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....  Yes  No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
<u>PRINCIPAL FUNDS, INC.</u>	<u>PO BOX 8024 BOSTON, MA 02266</u>

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL FUNDS INC.

PO BOX 8024  
BOSTON, MA 02266

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
52	AFFILIATE TO PLAN SPONSOR	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

**SCHEDULE H  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Financial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

<b>A</b> Name of plan <b>THE PRINCIPAL LONG TERM DISABILITY PLAN FOR INDIVIDUAL FIELD</b>	<b>B</b> Three-digit plan number (PN) ► <b>507</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRINCIPAL LIFE INSURANCE COMPANY</b>	<b>D</b> Employer Identification Number (EIN) <b>42-0127290</b>

**Part I Asset and Liability Statement**

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

<b>Assets</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b>	170729	0
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions.....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(4)(A)</b>		
<b>(B)</b> Common.....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests.....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants).....	<b>1c(7)</b>		
<b>(8)</b> Participant loans.....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts.....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	3309369	
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other.....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	3480098	0
<b>Liabilities</b>			
g Benefit claims payable.....	1g	120000	
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	12896	
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	132896	0
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	3347202	0

**Part II Income and Expense Statement**

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	3265	
(B) Participants.....	2a(1)(B)	53716	
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		56981
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	56100	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		56100
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	-335688	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		-335688

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)		
<b>c</b> Other income .....	2c		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	2d		-222607
<b>Expenses</b>			
<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)	347457	
(2) To insurance carriers for the provision of benefits .....	2e(2)	178370	
(3) Other .....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		525827
<b>f</b> Corrective distributions (see instructions).....	2f		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	2g		
<b>h</b> Interest expense.....	2h		
<b>i</b> Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees.....	2i(2)	2646	
(3) Investment advisory and management fees .....	2i(3)	619	
(4) Other .....	2i(4)	14216	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		17481
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	2j		543308
<b>Net Income and Reconciliation</b>			
<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k		-765915
<b>l</b> Transfers of assets:			
(1) To this plan .....	2l(1)		442347
(2) From this plan.....	2l(2)		3023634

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST YOUNG LLP

(2) EIN: 34-6565596

**d** The opinion of an independent qualified public accountant is **not attached** because:

- (1)  This form is filed for a CCT, PSA, or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....

	Yes	No	Amount
4a		X	

		Yes	No	Amount
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	<b>4b</b>		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....	<b>4c</b>		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	<b>4e</b>	X		50000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	<b>4g</b>		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	<b>4i</b>		X	
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	<b>4k</b>	X		
<b>l</b> Has the plan failed to provide any benefit when due under the plan?.....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	<b>4m</b>			
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	<b>4n</b>			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?.....  Yes  No  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
THE PRINCIPAL WELFARE BENEFIT PLAN FOR EMPLOYEES	42-0127290	501

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .....  Yes  No  Not determined  
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year \_\_\_\_\_.

FINANCIAL STATEMENTS

The Principal Long-Term Disability Plan for Individual Field  
December 31, 2022 and 2021, and for the Year Ended December 31, 2022  
With Report of Independent Auditors

# The Principal Long-Term Disability Plan for Individual Field

## Financial Statements

December 31, 2022 and 2021 and for the Year Ended December 31, 2022

### Contents

Report of Independent Auditors

Financial Statements

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Statement of Changes in Net Assets Available for Benefits and Benefit Obligations .....	2
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**Building a better  
working world**

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## **Report of Independent Auditors**

The Benefit Plans Administration Committee  
Principal Life Insurance Company

### **Opinion**

We have audited the financial statements of The Principal Long-Term Disability Plan for Individual Field (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits and benefit obligations for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligations of the Plan at December 31, 2022 and 2021, and the changes in its net assets available for benefits and benefit obligations for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ernst + Young LLP*

October 10, 2023

# The Principal Long-Term Disability Plan for Individual Field

## Statements of Net Assets Available for Benefits and Benefit Obligations

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Investment in mutual funds, at fair value	\$ 2,947,128	\$ 3,309,369
Cash	171,637	170,729
Total assets available for benefits	<b>3,118,765</b>	3,480,098
<b>Liabilities</b>		
Income taxes payable	5,218	6,952
Other payables	6,004	5,944
Net assets available for benefits	<b>3,107,543</b>	3,467,202
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	67,000	120,000
Premiums payable to Principal Life Insurance Company	16,909	—
Post-employment benefit obligations, net of amounts currently payable:		
Long-term disability benefits	1,165,348	1,580,708
Total benefit obligations	<b>1,249,257</b>	1,700,708
Net assets available for benefits in excess of benefit obligations	<b>\$ 1,858,286</b>	\$ 1,766,494

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Statement of Changes in Net Assets Available for Benefits and Benefit Obligations

**For the  
year ended  
December 31,  
2022**

<b>Net decrease in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Life Insurance Company	\$ 3,265
Participants	53,716
Transfer from affiliated plan	442,347
Total additions	<u>499,328</u>
Investment income (expense):	
Dividends and capital gains distributions	56,100
Net depreciation of investments	(335,688)
Total investment expense	<u>(279,588)</u>
Deductions:	
Claims paid	400,457
Premiums paid	161,461
Income tax expense	14,216
Administrative expenses	3,265
Total deductions	<u>579,399</u>
Net decrease in net assets available for benefits	<u>(359,659)</u>
<b>Net decrease in benefit obligations</b>	
Net decrease during the year attributable to claims incurred but not reported	(53,000)
Net increase in premiums payable to Principal Life Insurance Company	16,909
Net decrease in long-term disability benefits	(415,360)
Net decrease in benefit obligations	<u>(451,451)</u>
Net decrease in benefit obligations in excess of net decrease in net assets available for benefits	(91,792)
Net assets available for benefits in excess of benefit obligations:	
Beginning of year	1,766,494
End of year	<u>\$ 1,858,286</u>

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements

December 31, 2022

### 1. Significant Accounting Policies

#### Basis of Accounting

The accounting records of The Principal Long-Term Disability Plan for Individual Field (the Plan) are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

#### Accounting Recognition Policy

The Plan includes two Voluntary Employees' Beneficiary Association (VEBA) trusts (the Trusts). All Plan transactions, including contributions, benefit payments, and expenses whether paid through the Trusts or otherwise, are recorded in the Plan's financial statements.

#### Valuation of Investments

The Plan invests in mutual funds, including the Principal Funds, Inc. Bond Market Index Fund, Core Plus Bond Fund, and Short Term Income Fund, which are managed by an indirect wholly owned affiliate of the Principal Financial Group (PFG), the ultimate parent of Principal Life Insurance Company (Principal Life). Quoted market prices are used to report mutual fund investments at fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

#### Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and Benefit Obligations.

The post-employment benefit obligations are reported based on certain assumptions pertaining to interest rates, health care disability rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near-term could materially affect the amounts reported and disclosed in the financial statements.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Plan Obligations**

Plan obligations for long-term disability benefits represent the actuarial present value of those estimated future disability payments for participants currently on claim. These obligations represent the amounts that are to be funded by contributions and from existing Plan assets. The actuarial present value of the expected disability claims for those in payment status is determined by the Plan's actuary, an employee of Principal Life (the Plan Sponsor), and is the amount that results from applying actuarial assumptions, adjusting such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, recovery from disability, or retirement) between the valuation date and the expected date of payment.

Plan obligations at December 31, 2022 and 2021, for long-term disability claims incurred by active participants but not reported at that date (IBNR), are estimated by the Plan's actuary in accordance with accepted actuarial principles. Principal Life's policy is to fund the Plan, as necessary, to provide benefit payments.

### **Assumptions**

The following are significant valuation assumptions used in determining the IBNR and long-term disability benefits as of December 31, 2022 and 2021:

#### *Termination Rates*

For claims incurred in 2015 and later, the underlying termination rates are the 2012 Group Long Term Disability valuation table adjusted for company experience.

For claims incurred prior to 2015, the underlying termination rates are the 1987 Commissioner's Group Disability Table Valuation rates adjusted for company experience.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### *Interest Rates*

<b>Incurred Dates</b>	<b>Rates</b>
Incurred prior to July 1, 2001	<b>7.00%</b>
Incurred July 1, 2001 to December 31, 2003	<b>5.50%</b>
Incurred January 1, 2004 to December 31, 2008	<b>5.25%</b>
Incurred January 1, 2009 to December 31, 2009	<b>5.00%</b>
Incurred January 1, 2010 to December 31, 2010	<b>4.75%</b>
Incurred January 1, 2011 to December 31, 2011	<b>4.25%</b>
Incurred January 1, 2012 to December 31, 2012	<b>3.50%</b>
Incurred January 1, 2013 to December 31, 2017	<b>3.25%</b>
Incurred January 1, 2018 to December 31, 2018	<b>3.75%</b>
Incurred January 1, 2019 to December 31, 2019	<b>3.50%</b>
Incurred January 1, 2020 to December 31, 2020	<b>2.75%</b>
Incurred January 1, 2021 to December 31, 2021	<b>3.00%</b>
Incurred January 1, 2022 to December 31, 2022	<b>4.00%</b>

### **Deferred Income Taxes**

Deferred income tax assets and liabilities are computed based on the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate. Deferred income tax expense or credits are based on the changes in the asset or liability from period to period. See Note 5 for further information.

## **2. Description of the Plan**

### **Plan Merger**

Effective January 1, 2023, the Plan was merged into The Principal Welfare Benefit Plan for Employees, which is renamed The Principal Welfare Benefit Plan. Benefits were not impacted as a result of the plan merger. The following describes the Plan prior to the merger.

### **General**

The Plan provided long-term disability benefits covering eligible agents and financial representatives of Principal Life and affiliates of Principal Life that had adopted the Plan. Long-term disability benefits were available to all disabled participants once the qualifying elimination period was met as specified in the Plan and who met all Plan requirements.

Information about the Plan eligibility and benefit provisions are contained in the Summary Plan Description. Copies of the Summary Plan Description are available from Principal Life's Human

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

Resources Benefits Department or the Intranet. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### **Contributions**

Contributions to the Plan were made by the participants and Principal Life as defined by the Plan. All Plan assets were held in the Trusts.

### **3. Related Party Transactions**

Principal Life provides administrative services to the Plan. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

Principal Global Investors, LLC (PGI), an indirect wholly owned affiliate of PFG provides asset allocation services to the Plan. Fees for PGI's services are paid directly by Principal Life. The Principal Funds, Inc. mutual funds which the Plan invests in are managed by PGI. PGI receives asset management fees from the Principal Funds.

Fees paid during the year for services rendered by parties in interest were based on customary and reasonable rates for such services. These transactions are exempt from the prohibited transactions rules of ERISA.

### **4. Fair Value of Financial Instruments**

#### **Valuation Hierarchy**

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets. The Plan's Level 1 assets include exchange-traded mutual funds.
- Level 2 – Fair values are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly. The Plan does not hold any Level 2 assets.
- Level 3 – Fair values are based on significant unobservable inputs for the asset. The Plan does not hold any Level 3 assets.

There were no transfers between levels during 2022 or 2021.

#### **Determination of Fair Value**

The following discussion describes the valuation methodologies used for assets measured at fair value on a recurring basis. The techniques utilized in estimating the fair values of financial instruments are

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

reliant on the assumptions used. Care should be exercised in deriving conclusions based on the fair value information of financial instruments presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument. Such estimates do not consider the tax impact of the realization of unrealized gains or losses. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial instrument. The Plan did not make any significant changes to the valuation process during 2022 or 2021.

### *Mutual Funds*

The shares of the mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

### **Assets Measured at Fair Value on a Recurring Basis**

Assets measured at fair value on a recurring basis are summarized below.

Assets Measured at Fair Value	As of December 31, 2022		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 2,947,128	\$ —	\$ —
Total invested assets	\$ 2,947,128	\$ —	\$ —

Assets Measured at Fair Value	As of December 31, 2021		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 3,309,369	\$ —	\$ —
Total invested assets	\$ 3,309,369	\$ —	\$ —

### **5. Income Tax Status**

The Trusts funding the Plan have received exemption letters from the Internal Revenue Service (IRS) dated September 18, 2003 and July 11, 2014, stating that the Trusts are tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trusts are required to operate in conformity with the terms of the Plan document and the Code to maintain the tax-exempt status of the Trusts. The Benefit Plans Administration Committee (BPAC) and Principal Life believe the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believe the related Trusts are tax-exempt.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on technical merits, to be sustained upon examination by the IRS. BPAC relies on the representations of the corporate tax department regarding the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

The components of federal income tax expense were as follows:

	<b>December 31, 2022</b>
Current income tax expense	<b>\$ 14,216</b>
Total income tax expense	<b>\$ 14,216</b>

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2022.

The deferred taxes on unrealized gains and losses represent the temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The Plan had a deferred tax asset of \$134,271 and \$39,310 at December 31, 2022 and 2021, respectively. Management has established full valuation allowances of \$134,271 and \$39,310 for the deferred tax asset at December 31, 2022 and 2021, respectively, because of the uncertainty regarding whether the Plan's Trusts will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 6. Form 5500

The following table reconciles the Statements of Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net assets available for benefits per the financial statements	<b>\$ 3,107,543</b>	<b>\$ 3,467,202</b>
Less:		
Claims incurred but not reported	<b>67,000</b>	120,000
Premiums payable to Principal Life	<b>16,909</b>	—
Transfer to affiliated plan due to plan merger	<b>3,023,634</b>	—
Net assets available for benefits per the Form 5500	<b>\$ —</b>	<b>\$ 3,347,202</b>

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

The following table reconciles the Statement of Changes in Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31, 2022</b>
Net decrease in net assets available for benefits per the financial statements	\$ (359,659)
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	53,000
Premiums payable to Principal Life	(16,909)
Transfer of assets out of the Plan due to plan merger	<u>(3,023,634)</u>
Net loss plus transfer of assets out of the Plan per the Form 5500	<u>\$ (3,347,202)</u>

The accompanying financial statements were prepared prior to the merger as disclosed in Note 2, whereas the Form 5500 was prepared to coincide with the merger. Therefore, the transfer of assets due to the plan merger represents a reconciling item. In addition, certain other line items of net asset additions and deductions in the 2022 and 2021 Forms 5500 differ from similar classifications in the accompanying financial statements. However, such differences are not considered material and create no other differences in the Statements of Net Assets Available for Benefits and Benefit Obligations at December 31, 2022 and 2021.

### 7. Subsequent Events

Management has evaluated subsequent events through October 10, 2023, which was the date the financial statements were available to be issued. No additional matters were noted.

FINANCIAL STATEMENTS

The Principal Long-Term Disability Plan for Individual Field  
December 31, 2022 and 2021, and for the Year Ended December 31, 2022  
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# The Principal Long-Term Disability Plan for Individual Field

## Financial Statements

December 31, 2022 and 2021 and for the Year Ended December 31, 2022

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## **Report of Independent Auditors**

The Benefit Plans Administration Committee  
Principal Life Insurance Company

### **Opinion**

We have audited the financial statements of The Principal Long-Term Disability Plan for Individual Field (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits and benefit obligations for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligations of the Plan at December 31, 2022 and 2021, and the changes in its net assets available for benefits and benefit obligations for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ernst + Young LLP*

October 10, 2023

# The Principal Long-Term Disability Plan for Individual Field

## Statements of Net Assets Available for Benefits and Benefit Obligations

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Investment in mutual funds, at fair value	\$ 2,947,128	\$ 3,309,369
Cash	171,637	170,729
Total assets available for benefits	<b>3,118,765</b>	3,480,098
<b>Liabilities</b>		
Income taxes payable	5,218	6,952
Other payables	6,004	5,944
Net assets available for benefits	<b>3,107,543</b>	3,467,202
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	67,000	120,000
Premiums payable to Principal Life Insurance Company	16,909	—
Post-employment benefit obligations, net of amounts currently payable:		
Long-term disability benefits	1,165,348	1,580,708
Total benefit obligations	<b>1,249,257</b>	1,700,708
Net assets available for benefits in excess of benefit obligations	<b>\$ 1,858,286</b>	\$ 1,766,494

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Statement of Changes in Net Assets Available for Benefits and Benefit Obligations

	For the year ended December 31, 2022
<b>Net decrease in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Life Insurance Company	\$ 3,265
Participants	53,716
Transfer from affiliated plan	442,347
Total additions	499,328
Investment income (expense):	
Dividends and capital gains distributions	56,100
Net depreciation of investments	(335,688)
Total investment expense	(279,588)
Deductions:	
Claims paid	400,457
Premiums paid	161,461
Income tax expense	14,216
Administrative expenses	3,265
Total deductions	579,399
Net decrease in net assets available for benefits	(359,659)
<b>Net decrease in benefit obligations</b>	
Net decrease during the year attributable to claims incurred but not reported	(53,000)
Net increase in premiums payable to Principal Life Insurance Company	16,909
Net decrease in long-term disability benefits	(415,360)
Net decrease in benefit obligations	(451,451)
Net decrease in benefit obligations in excess of net decrease in net assets available for benefits	(91,792)
Net assets available for benefits in excess of benefit obligations:	
Beginning of year	1,766,494
End of year	\$ 1,858,286

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements

December 31, 2022

### 1. Significant Accounting Policies

#### Basis of Accounting

The accounting records of The Principal Long-Term Disability Plan for Individual Field (the Plan) are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

#### Accounting Recognition Policy

The Plan includes two Voluntary Employees' Beneficiary Association (VEBA) trusts (the Trusts). All Plan transactions, including contributions, benefit payments, and expenses whether paid through the Trusts or otherwise, are recorded in the Plan's financial statements.

#### Valuation of Investments

The Plan invests in mutual funds, including the Principal Funds, Inc. Bond Market Index Fund, Core Plus Bond Fund, and Short Term Income Fund, which are managed by an indirect wholly owned affiliate of the Principal Financial Group (PFG), the ultimate parent of Principal Life Insurance Company (Principal Life). Quoted market prices are used to report mutual fund investments at fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

#### Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and Benefit Obligations.

The post-employment benefit obligations are reported based on certain assumptions pertaining to interest rates, health care disability rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near-term could materially affect the amounts reported and disclosed in the financial statements.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Plan Obligations**

Plan obligations for long-term disability benefits represent the actuarial present value of those estimated future disability payments for participants currently on claim. These obligations represent the amounts that are to be funded by contributions and from existing Plan assets. The actuarial present value of the expected disability claims for those in payment status is determined by the Plan's actuary, an employee of Principal Life (the Plan Sponsor), and is the amount that results from applying actuarial assumptions, adjusting such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, recovery from disability, or retirement) between the valuation date and the expected date of payment.

Plan obligations at December 31, 2022 and 2021, for long-term disability claims incurred by active participants but not reported at that date (IBNR), are estimated by the Plan's actuary in accordance with accepted actuarial principles. Principal Life's policy is to fund the Plan, as necessary, to provide benefit payments.

### **Assumptions**

The following are significant valuation assumptions used in determining the IBNR and long-term disability benefits as of December 31, 2022 and 2021:

#### *Termination Rates*

For claims incurred in 2015 and later, the underlying termination rates are the 2012 Group Long Term Disability valuation table adjusted for company experience.

For claims incurred prior to 2015, the underlying termination rates are the 1987 Commissioner's Group Disability Table Valuation rates adjusted for company experience.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### *Interest Rates*

<b>Incurred Dates</b>	<b>Rates</b>
Incurred prior to July 1, 2001	<b>7.00%</b>
Incurred July 1, 2001 to December 31, 2003	<b>5.50%</b>
Incurred January 1, 2004 to December 31, 2008	<b>5.25%</b>
Incurred January 1, 2009 to December 31, 2009	<b>5.00%</b>
Incurred January 1, 2010 to December 31, 2010	<b>4.75%</b>
Incurred January 1, 2011 to December 31, 2011	<b>4.25%</b>
Incurred January 1, 2012 to December 31, 2012	<b>3.50%</b>
Incurred January 1, 2013 to December 31, 2017	<b>3.25%</b>
Incurred January 1, 2018 to December 31, 2018	<b>3.75%</b>
Incurred January 1, 2019 to December 31, 2019	<b>3.50%</b>
Incurred January 1, 2020 to December 31, 2020	<b>2.75%</b>
Incurred January 1, 2021 to December 31, 2021	<b>3.00%</b>
Incurred January 1, 2022 to December 31, 2022	<b>4.00%</b>

### **Deferred Income Taxes**

Deferred income tax assets and liabilities are computed based on the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate. Deferred income tax expense or credits are based on the changes in the asset or liability from period to period. See Note 5 for further information.

## **2. Description of the Plan**

### **Plan Merger**

Effective January 1, 2023, the Plan was merged into The Principal Welfare Benefit Plan for Employees, which is renamed The Principal Welfare Benefit Plan. Benefits were not impacted as a result of the plan merger. The following describes the Plan prior to the merger.

### **General**

The Plan provided long-term disability benefits covering eligible agents and financial representatives of Principal Life and affiliates of Principal Life that had adopted the Plan. Long-term disability benefits were available to all disabled participants once the qualifying elimination period was met as specified in the Plan and who met all Plan requirements.

Information about the Plan eligibility and benefit provisions are contained in the Summary Plan Description. Copies of the Summary Plan Description are available from Principal Life's Human

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

Resources Benefits Department or the Intranet. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### **Contributions**

Contributions to the Plan were made by the participants and Principal Life as defined by the Plan. All Plan assets were held in the Trusts.

### **3. Related Party Transactions**

Principal Life provides administrative services to the Plan. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

Principal Global Investors, LLC (PGI), an indirect wholly owned affiliate of PFG provides asset allocation services to the Plan. Fees for PGI's services are paid directly by Principal Life. The Principal Funds, Inc. mutual funds which the Plan invests in are managed by PGI. PGI receives asset management fees from the Principal Funds.

Fees paid during the year for services rendered by parties in interest were based on customary and reasonable rates for such services. These transactions are exempt from the prohibited transactions rules of ERISA.

### **4. Fair Value of Financial Instruments**

#### **Valuation Hierarchy**

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets. The Plan's Level 1 assets include exchange-traded mutual funds.
- Level 2 – Fair values are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly. The Plan does not hold any Level 2 assets.
- Level 3 – Fair values are based on significant unobservable inputs for the asset. The Plan does not hold any Level 3 assets.

There were no transfers between levels during 2022 or 2021.

#### **Determination of Fair Value**

The following discussion describes the valuation methodologies used for assets measured at fair value on a recurring basis. The techniques utilized in estimating the fair values of financial instruments are

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

reliant on the assumptions used. Care should be exercised in deriving conclusions based on the fair value information of financial instruments presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument. Such estimates do not consider the tax impact of the realization of unrealized gains or losses. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial instrument. The Plan did not make any significant changes to the valuation process during 2022 or 2021.

### *Mutual Funds*

The shares of the mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

### **Assets Measured at Fair Value on a Recurring Basis**

Assets measured at fair value on a recurring basis are summarized below.

Assets Measured at Fair Value	As of December 31, 2022		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 2,947,128	\$ —	\$ —
Total invested assets	\$ 2,947,128	\$ —	\$ —

Assets Measured at Fair Value	As of December 31, 2021		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 3,309,369	\$ —	\$ —
Total invested assets	\$ 3,309,369	\$ —	\$ —

### **5. Income Tax Status**

The Trusts funding the Plan have received exemption letters from the Internal Revenue Service (IRS) dated September 18, 2003 and July 11, 2014, stating that the Trusts are tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trusts are required to operate in conformity with the terms of the Plan document and the Code to maintain the tax-exempt status of the Trusts. The Benefit Plans Administration Committee (BPAC) and Principal Life believe the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believe the related Trusts are tax-exempt.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on technical merits, to be sustained upon examination by the IRS. BPAC relies on the representations of the corporate tax department regarding the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

The components of federal income tax expense were as follows:

	<b>December 31, 2022</b>
Current income tax expense	<b>\$ 14,216</b>
Total income tax expense	<b>\$ 14,216</b>

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2022.

The deferred taxes on unrealized gains and losses represent the temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The Plan had a deferred tax asset of \$134,271 and \$39,310 at December 31, 2022 and 2021, respectively. Management has established full valuation allowances of \$134,271 and \$39,310 for the deferred tax asset at December 31, 2022 and 2021, respectively, because of the uncertainty regarding whether the Plan's Trusts will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 6. Form 5500

The following table reconciles the Statements of Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net assets available for benefits per the financial statements	<b>\$ 3,107,543</b>	\$ 3,467,202
Less:		
Claims incurred but not reported	<b>67,000</b>	120,000
Premiums payable to Principal Life	<b>16,909</b>	—
Transfer to affiliated plan due to plan merger	<b>3,023,634</b>	—
Net assets available for benefits per the Form 5500	<b>\$ —</b>	<b>\$ 3,347,202</b>

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

The following table reconciles the Statement of Changes in Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31, 2022</b>
Net decrease in net assets available for benefits per the financial statements	\$ (359,659)
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	53,000
Premiums payable to Principal Life	(16,909)
Transfer of assets out of the Plan due to plan merger	<u>(3,023,634)</u>
Net loss plus transfer of assets out of the Plan per the Form 5500	<u>\$ (3,347,202)</u>

The accompanying financial statements were prepared prior to the merger as disclosed in Note 2, whereas the Form 5500 was prepared to coincide with the merger. Therefore, the transfer of assets due to the plan merger represents a reconciling item. In addition, certain other line items of net asset additions and deductions in the 2022 and 2021 Forms 5500 differ from similar classifications in the accompanying financial statements. However, such differences are not considered material and create no other differences in the Statements of Net Assets Available for Benefits and Benefit Obligations at December 31, 2022 and 2021.

### 7. Subsequent Events

Management has evaluated subsequent events through October 10, 2023, which was the date the financial statements were available to be issued. No additional matters were noted.

FINANCIAL STATEMENTS

The Principal Long-Term Disability Plan for Individual Field  
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# The Principal Long-Term Disability Plan for Individual Field

## Financial Statements

December 31, 2022 and 2021 and for the Year Ended December 31, 2022

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## **Report of Independent Auditors**

The Benefit Plans Administration Committee  
Principal Life Insurance Company

### **Opinion**

We have audited the financial statements of The Principal Long-Term Disability Plan for Individual Field (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits and benefit obligations for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligations of the Plan at December 31, 2022 and 2021, and the changes in its net assets available for benefits and benefit obligations for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ernst + Young LLP*

October 10, 2023

# The Principal Long-Term Disability Plan for Individual Field

## Statements of Net Assets Available for Benefits and Benefit Obligations

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Investment in mutual funds, at fair value	\$ 2,947,128	\$ 3,309,369
Cash	171,637	170,729
Total assets available for benefits	<b>3,118,765</b>	3,480,098
<b>Liabilities</b>		
Income taxes payable	5,218	6,952
Other payables	6,004	5,944
Net assets available for benefits	<b>3,107,543</b>	3,467,202
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	67,000	120,000
Premiums payable to Principal Life Insurance Company	16,909	—
Post-employment benefit obligations, net of amounts currently payable:		
Long-term disability benefits	1,165,348	1,580,708
Total benefit obligations	<b>1,249,257</b>	1,700,708
Net assets available for benefits in excess of benefit obligations	<b>\$ 1,858,286</b>	\$ 1,766,494

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Statement of Changes in Net Assets Available for Benefits and Benefit Obligations

	For the year ended December 31, 2022
	2022
<b>Net decrease in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Life Insurance Company	\$ 3,265
Participants	53,716
Transfer from affiliated plan	442,347
Total additions	499,328
Investment income (expense):	
Dividends and capital gains distributions	56,100
Net depreciation of investments	(335,688)
Total investment expense	(279,588)
Deductions:	
Claims paid	400,457
Premiums paid	161,461
Income tax expense	14,216
Administrative expenses	3,265
Total deductions	579,399
Net decrease in net assets available for benefits	(359,659)
<b>Net decrease in benefit obligations</b>	
Net decrease during the year attributable to claims incurred but not reported	(53,000)
Net increase in premiums payable to Principal Life Insurance Company	16,909
Net decrease in long-term disability benefits	(415,360)
Net decrease in benefit obligations	(451,451)
Net decrease in benefit obligations in excess of net decrease in net assets available for benefits	(91,792)
Net assets available for benefits in excess of benefit obligations:	
Beginning of year	1,766,494
End of year	\$ 1,858,286

*See accompanying notes.*

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements

December 31, 2022

### 1. Significant Accounting Policies

#### Basis of Accounting

The accounting records of The Principal Long-Term Disability Plan for Individual Field (the Plan) are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

#### Accounting Recognition Policy

The Plan includes two Voluntary Employees' Beneficiary Association (VEBA) trusts (the Trusts). All Plan transactions, including contributions, benefit payments, and expenses whether paid through the Trusts or otherwise, are recorded in the Plan's financial statements.

#### Valuation of Investments

The Plan invests in mutual funds, including the Principal Funds, Inc. Bond Market Index Fund, Core Plus Bond Fund, and Short Term Income Fund, which are managed by an indirect wholly owned affiliate of the Principal Financial Group (PFG), the ultimate parent of Principal Life Insurance Company (Principal Life). Quoted market prices are used to report mutual fund investments at fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

#### Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and Benefit Obligations.

The post-employment benefit obligations are reported based on certain assumptions pertaining to interest rates, health care disability rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near-term could materially affect the amounts reported and disclosed in the financial statements.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Plan Obligations**

Plan obligations for long-term disability benefits represent the actuarial present value of those estimated future disability payments for participants currently on claim. These obligations represent the amounts that are to be funded by contributions and from existing Plan assets. The actuarial present value of the expected disability claims for those in payment status is determined by the Plan's actuary, an employee of Principal Life (the Plan Sponsor), and is the amount that results from applying actuarial assumptions, adjusting such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, recovery from disability, or retirement) between the valuation date and the expected date of payment.

Plan obligations at December 31, 2022 and 2021, for long-term disability claims incurred by active participants but not reported at that date (IBNR), are estimated by the Plan's actuary in accordance with accepted actuarial principles. Principal Life's policy is to fund the Plan, as necessary, to provide benefit payments.

### **Assumptions**

The following are significant valuation assumptions used in determining the IBNR and long-term disability benefits as of December 31, 2022 and 2021:

#### *Termination Rates*

For claims incurred in 2015 and later, the underlying termination rates are the 2012 Group Long Term Disability valuation table adjusted for company experience.

For claims incurred prior to 2015, the underlying termination rates are the 1987 Commissioner's Group Disability Table Valuation rates adjusted for company experience.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

### *Interest Rates*

<b>Incurred Dates</b>	<b>Rates</b>
Incurred prior to July 1, 2001	<b>7.00%</b>
Incurred July 1, 2001 to December 31, 2003	<b>5.50%</b>
Incurred January 1, 2004 to December 31, 2008	<b>5.25%</b>
Incurred January 1, 2009 to December 31, 2009	<b>5.00%</b>
Incurred January 1, 2010 to December 31, 2010	<b>4.75%</b>
Incurred January 1, 2011 to December 31, 2011	<b>4.25%</b>
Incurred January 1, 2012 to December 31, 2012	<b>3.50%</b>
Incurred January 1, 2013 to December 31, 2017	<b>3.25%</b>
Incurred January 1, 2018 to December 31, 2018	<b>3.75%</b>
Incurred January 1, 2019 to December 31, 2019	<b>3.50%</b>
Incurred January 1, 2020 to December 31, 2020	<b>2.75%</b>
Incurred January 1, 2021 to December 31, 2021	<b>3.00%</b>
Incurred January 1, 2022 to December 31, 2022	<b>4.00%</b>

### **Deferred Income Taxes**

Deferred income tax assets and liabilities are computed based on the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate. Deferred income tax expense or credits are based on the changes in the asset or liability from period to period. See Note 5 for further information.

## **2. Description of the Plan**

### **Plan Merger**

Effective January 1, 2023, the Plan was merged into The Principal Welfare Benefit Plan for Employees, which is renamed The Principal Welfare Benefit Plan. Benefits were not impacted as a result of the plan merger. The following describes the Plan prior to the merger.

### **General**

The Plan provided long-term disability benefits covering eligible agents and financial representatives of Principal Life and affiliates of Principal Life that had adopted the Plan. Long-term disability benefits were available to all disabled participants once the qualifying elimination period was met as specified in the Plan and who met all Plan requirements.

Information about the Plan eligibility and benefit provisions are contained in the Summary Plan Description. Copies of the Summary Plan Description are available from Principal Life's Human

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

Resources Benefits Department or the Intranet. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### **Contributions**

Contributions to the Plan were made by the participants and Principal Life as defined by the Plan. All Plan assets were held in the Trusts.

### **3. Related Party Transactions**

Principal Life provides administrative services to the Plan. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

Principal Global Investors, LLC (PGI), an indirect wholly owned affiliate of PFG provides asset allocation services to the Plan. Fees for PGI's services are paid directly by Principal Life. The Principal Funds, Inc. mutual funds which the Plan invests in are managed by PGI. PGI receives asset management fees from the Principal Funds.

Fees paid during the year for services rendered by parties in interest were based on customary and reasonable rates for such services. These transactions are exempt from the prohibited transactions rules of ERISA.

### **4. Fair Value of Financial Instruments**

#### **Valuation Hierarchy**

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets. The Plan's Level 1 assets include exchange-traded mutual funds.
- Level 2 – Fair values are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly. The Plan does not hold any Level 2 assets.
- Level 3 – Fair values are based on significant unobservable inputs for the asset. The Plan does not hold any Level 3 assets.

There were no transfers between levels during 2022 or 2021.

#### **Determination of Fair Value**

The following discussion describes the valuation methodologies used for assets measured at fair value on a recurring basis. The techniques utilized in estimating the fair values of financial instruments are

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

reliant on the assumptions used. Care should be exercised in deriving conclusions based on the fair value information of financial instruments presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument. Such estimates do not consider the tax impact of the realization of unrealized gains or losses. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial instrument. The Plan did not make any significant changes to the valuation process during 2022 or 2021.

### *Mutual Funds*

The shares of the mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

### **Assets Measured at Fair Value on a Recurring Basis**

Assets measured at fair value on a recurring basis are summarized below.

Assets Measured at Fair Value	As of December 31, 2022		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 2,947,128	\$ —	\$ —
Total invested assets	\$ 2,947,128	\$ —	\$ —

Assets Measured at Fair Value	As of December 31, 2021		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Mutual funds	\$ 3,309,369	\$ —	\$ —
Total invested assets	\$ 3,309,369	\$ —	\$ —

### **5. Income Tax Status**

The Trusts funding the Plan have received exemption letters from the Internal Revenue Service (IRS) dated September 18, 2003 and July 11, 2014, stating that the Trusts are tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trusts are required to operate in conformity with the terms of the Plan document and the Code to maintain the tax-exempt status of the Trusts. The Benefit Plans Administration Committee (BPAC) and Principal Life believe the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believe the related Trusts are tax-exempt.

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on technical merits, to be sustained upon examination by the IRS. BPAC relies on the representations of the corporate tax department regarding the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

The components of federal income tax expense were as follows:

	<b>December 31, 2022</b>
Current income tax expense	<b>\$ 14,216</b>
Total income tax expense	<b>\$ 14,216</b>

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2022.

The deferred taxes on unrealized gains and losses represent the temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The Plan had a deferred tax asset of \$134,271 and \$39,310 at December 31, 2022 and 2021, respectively. Management has established full valuation allowances of \$134,271 and \$39,310 for the deferred tax asset at December 31, 2022 and 2021, respectively, because of the uncertainty regarding whether the Plan's Trusts will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 6. Form 5500

The following table reconciles the Statements of Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net assets available for benefits per the financial statements	<b>\$ 3,107,543</b>	<b>\$ 3,467,202</b>
Less:		
Claims incurred but not reported	<b>67,000</b>	120,000
Premiums payable to Principal Life	<b>16,909</b>	—
Transfer to affiliated plan due to plan merger	<b>3,023,634</b>	—
Net assets available for benefits per the Form 5500	<b>\$ —</b>	<b>\$ 3,347,202</b>

# The Principal Long-Term Disability Plan for Individual Field

## Notes to Financial Statements (continued)

The following table reconciles the Statement of Changes in Net Assets Available for Benefits and Benefit Obligations per the financial statements to the Form 5500:

	<b>December 31, 2022</b>
Net decrease in net assets available for benefits per the financial statements	\$ (359,659)
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	53,000
Premiums payable to Principal Life	(16,909)
Transfer of assets out of the Plan due to plan merger	<u>(3,023,634)</u>
Net loss plus transfer of assets out of the Plan per the Form 5500	<u>\$ (3,347,202)</u>

The accompanying financial statements were prepared prior to the merger as disclosed in Note 2, whereas the Form 5500 was prepared to coincide with the merger. Therefore, the transfer of assets due to the plan merger represents a reconciling item. In addition, certain other line items of net asset additions and deductions in the 2022 and 2021 Forms 5500 differ from similar classifications in the accompanying financial statements. However, such differences are not considered material and create no other differences in the Statements of Net Assets Available for Benefits and Benefit Obligations at December 31, 2022 and 2021.

### 7. Subsequent Events

Management has evaluated subsequent events through October 10, 2023, which was the date the financial statements were available to be issued. No additional matters were noted.