

<p><b>Form 5500</b></p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>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).</p> <p>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2024</p> <hr/> <p><b>This Form is Open to Public Inspection</b></p>
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**Part I Annual Report Identification Information**  
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

**A** This return/report is for:  a multiemployer plan  a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan  a DFE (specify) \_\_\_\_\_

**B** This return/report is:  the first return/report  the final return/report

an amended return/report  a short plan year return/report (less than 12 months)

**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**

<p><b>1a</b> Name of plan  <u>THE PRINCIPAL WELFARE BENEFIT PLAN FOR MEDICARE ELIGIBLE RETIREES</u></p>	<p><b>1b</b> Three-digit plan number (PN) ▶ <u>513</u></p>
<p><b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)          Mailing address (include room, apt., suite no. and street, or P.O. Box)          City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)  <u>PRINCIPAL FINANCIAL GROUP, INC.</u></p> <p><u>KIM L LEONHARDT</u>  <u>711 HIGH STREET</u>  <u>DES MOINES, IA 50392-0001</u></p> <p><u>711 HIGH STREET</u>  <u>DES MOINES, IA 50392-0001</u></p>	<p><b>1c</b> Effective date of plan  <u>01/01/2016</u></p> <p><b>2b</b> Employer Identification Number (EIN)  <u>42-1520346</u></p> <p><b>2c</b> Plan Sponsor's telephone number  <u>800-986-3343</u></p> <p><b>2d</b> Business code (see instructions)  <u>524140</u></p>

**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.

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/15/2025	ANDREW SCHAFER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/15/2025	LISA COULSON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor  BENEFIT PLANS ADMINISTRATION COMMITTEE  711 HIGH STREET DES MOINES, IA 50392-0001	<b>3b</b> Administrator's EIN 27-3605376																				
	<b>3c</b> Administrator's telephone number 800-986-3343																				
<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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN																				
	<b>4d</b> PN																				
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 826																				
<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> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<table border="1"> <tr> <td><b>6a(1)</b></td> <td>826</td> </tr> <tr> <td><b>6a(2)</b></td> <td></td> </tr> <tr> <td><b>6b</b></td> <td>758</td> </tr> <tr> <td><b>6c</b></td> <td></td> </tr> <tr> <td><b>6d</b></td> <td>758</td> </tr> <tr> <td><b>6e</b></td> <td></td> </tr> <tr> <td><b>6f</b></td> <td>758</td> </tr> <tr> <td><b>6g(1)</b></td> <td></td> </tr> <tr> <td><b>6g(2)</b></td> <td></td> </tr> <tr> <td><b>6h</b></td> <td></td> </tr> </table>	<b>6a(1)</b>	826	<b>6a(2)</b>		<b>6b</b>	758	<b>6c</b>		<b>6d</b>	758	<b>6e</b>		<b>6f</b>	758	<b>6g(1)</b>		<b>6g(2)</b>		<b>6h</b>	
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<b>6g(1)</b>																					
<b>6g(2)</b>																					
<b>6h</b>																					
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>																				

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:  
 4A

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b> (1) <input type="checkbox"/> <b>R</b> (Retirement Plan Information) (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input checked="" type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached <u>1</u> (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)
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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

**11c** Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 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

**2024**

**This Form is Open to Public Inspection**

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

<b>A</b> Name of plan <b>THE PRINCIPAL WELFARE BENEFIT PLAN FOR MEDICARE ELIGIBLE RETIREES</b>		<b>B</b> Three-digit plan number (PN) ▶ <b>513</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRINCIPAL FINANCIAL GROUP, INC.</b>		<b>D</b> Employer Identification Number (EIN) <b>42-1520346</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>158</b>	<b>326</b>	<b>01/01/2024</b>	<b>12/31/2024</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	

**Part II Investment and Annuity Contract Information**  
 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>	

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

**b** Premiums paid to carrier ..... **6b**

**c** Premiums due but unpaid at the end of the year ..... **6c**

**d** 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. .... **6d**  
 Specify nature of costs ▶

**e** Type of contract: (1)  individual policies (2)  group deferred annuity  
 (3)  other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1)  deposit administration (2)  immediate participation guarantee  
 (3)  guaranteed investment (4)  other ▶

**b** Balance at the end of the previous year ..... **7b**

**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
 (2) Dividends and credits..... **7c(2)**  
 (3) Interest credited during the year..... **7c(3)**  
 (4) Transferred from separate account ..... **7c(4)**  
 (5) Other (specify below)..... **7c(5)**  
 ▶

(6) Total additions ..... **7c(6)**

**d** Total of balance and additions (add lines **7b** and **7c(6)**) ..... **7d**

**e** Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)**  
 (2) Administration charge made by carrier..... **7e(2)**  
 (3) Transferred to separate account ..... **7e(3)**  
 (4) Other (specify below)..... **7e(4)**  
 ▶

(5) Total deductions ..... **7e(5)**

**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)..... **7f**

**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)

- a**  Health (other than dental or vision)
- b**  Dental
- c**  Vision
- d**  Life insurance
- e**  Temporary disability (accident and sickness)
- f**  Long-term disability
- g**  Supplemental unemployment
- h**  Prescription drug
- i**  Stop loss (large deductible)
- j**  HMO contract
- k**  PPO contract
- l**  Indemnity contract
- m**  Other (specify) **▶ LONG TERM CARE**

**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>

**10** Nonexperience-rated contracts:

<b>a</b>	Total premiums or subscription charges paid to carrier .....	<b>10a</b>	229782
<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. ▶

<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

<b>A</b> Name of plan <b>THE PRINCIPAL WELFARE BENEFIT PLAN FOR MEDICARE ELIGIBLE RETIREES</b>	<b>B</b> Three-digit plan number (PN) ▶	<b>513</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRINCIPAL FINANCIAL GROUP, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>42-1520346</b>	

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

**PRINCIPAL FUNDS, INC.** **PO BOX 8024**  
**BOSTON, MA 02266**

**(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: ERNST & YOUNG, LLP	<b>b</b> EIN: 34-6565596
<b>c</b> Position: ACCOUNTANT	
<b>d</b> Address: 801 GRAND AVENUE SUITE 3100 DES MOINES, IA 50309	<b>e</b> Telephone: 515-243-2727

Explanation: NEW ACCOUNTANT WAS HIRED AS A RESULT OF REGULAR REVIEW PROCESS. NO MATERIAL DISPUTES OR MATTERS OF DISAGREEMENT EXISTED CONCERNING THE TERMINATION OR PRIOR TERMINATION.

<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>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>THE PRINCIPAL WELFARE BENEFIT PLAN FOR MEDICARE ELIGIBLE RETIREES</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>513</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRINCIPAL FINANCIAL GROUP, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>42-1520346</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
---------------	--------------------------------------

**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.

		(a) Beginning of Year	(b) End of Year
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	130069	223997
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	35495	58010
<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>	25663910	26415358
<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>		

<b>1d</b> Employer-related investments:		<b>(a)</b> Beginning of Year	<b>(b)</b> End of Year
(1) Employer securities.....	<b>1d(1)</b>		
(2) Employer real property.....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation.....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e).....	<b>1f</b>	25829474	26697365
<b>Liabilities</b>			
<b>g</b> Benefit claims payable.....	<b>1g</b>	133044	130756
<b>h</b> Operating payables.....	<b>1h</b>		
<b>i</b> Acquisition indebtedness.....	<b>1i</b>		
<b>j</b> Other liabilities.....	<b>1j</b>	247487	713246
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j).....	<b>1k</b>	380531	844002
<b>Net Assets</b>			
<b>l</b> Net assets (subtract line 1k from line 1f).....	<b>1l</b>	25448943	25853363

**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>		<b>(a)</b> Amount	<b>(b)</b> Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers.....	<b>2a(1)(A)</b>	153086	
<b>(B)</b> Participants.....	<b>2a(1)(B)</b>	2483	
<b>(C)</b> Others (including rollovers).....	<b>2a(1)(C)</b>		
(2) Noncash contributions.....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		155569
<b>b Earnings on investments:</b>			
<b>(1) Interest:</b>			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities.....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments.....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants).....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans.....	<b>2b(1)(E)</b>		
<b>(F)</b> Other.....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		0
<b>(2) Dividends:</b>			
<b>(A)</b> Preferred stock.....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock.....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds).....	<b>2b(2)(C)</b>	948388	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		948388
(3) Rents.....	<b>2b(3)</b>		
<b>(4) Net gain (loss) on sale of assets:</b>			
<b>(A)</b> Aggregate proceeds.....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions).....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result.....	<b>2b(4)(C)</b>		
<b>(5) Unrealized appreciation (depreciation) of assets:</b>			
<b>(A)</b> Real estate.....	<b>2b(5)(A)</b>		
<b>(B)</b> Other.....	<b>2b(5)(B)</b>	1473545	
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		2577502

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	1029680	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>	229782	
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		1259462
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>	83553	
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>		
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>	5292	
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>		
(7) Actuarial fees .....	<b>2i(7)</b>		
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses.....	<b>2i(11)</b>	824775	
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		913620
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		2173082

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		404420
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**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: GRANT THORNTON LLP

(2) EIN: 36-6055558

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> 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.)		X	
<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.)		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.)		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.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	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?		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?		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?		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.)	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.)	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?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<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.			

**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 \_\_\_\_\_.

**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.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> PN(s)

**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 AND SUPPLEMENTAL SCHEDULES

The Principal Welfare Benefit Plan for Medicare Eligible Retirees  
December 31, 2024 and 2023, and for the Year Ended December 31, 2024  
Report of Independent Certified Public Accountants

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Financial Statements and Supplemental Schedules

December 31, 2024 and 2023 and for the Year Ended December 31, 2024

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Report of Independent Certified Public Accountants

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**GRANT THORNTON LLP**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Benefit Plans Administration Committee  
The Principal Welfare Benefit Plan for Medical Eligible Retirees

**Opinion**

We have audited the financial statements of The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits and benefit obligations as of December 31, 2024, and the related statement of changes in net assets available for benefits and benefit obligations for the year then ended, and the related notes to 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 as of December 31, 2024, and the changes in its net assets available for benefits and benefit obligations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 audit. 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 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 US 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 US 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.

#### **Supplemental schedules required by ERISA**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024, and the schedule of reportable transactions for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Other matter - auditor's report on the 2023 financial statements**

The financial statements of the Plan as of and for the year ended December 31, 2023, were audited by other auditors. Those auditors expressed an unmodified opinion on those 2023 financial statements in their report dated October 10, 2024.

*Grant Thornton LLP*

Chicago, Illinois  
October 14, 2025

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Investments, at fair value	\$ 26,415,358	\$ 25,663,910
Contributions receivable:		
Principal Financial Group, Inc.	58,010	35,495
Cash	219,353	127,057
Deposits with insurance companies	4,644	3,012
Total assets	26,697,365	25,829,474
<b>Liabilities</b>		
Income taxes payable	53,867	120,695
Deferred tax liability	659,379	126,792
Net assets available for benefits	25,984,119	25,581,987
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
	130,756	133,044
Postretirement benefit obligations	9,799,232	11,531,967
Total benefit obligations	9,929,988	11,665,011
Excess of net assets available for benefits over benefit obligations	\$ 16,054,131	\$ 13,916,976

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>For the year ended December 31, 2024</b>
<b>Net increase in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Financial Group, Inc.	\$ 153,086
Participants	2,483
Total contributions	155,569
Investment income:	
Dividends and capital gains distributions	948,388
Net appreciation in fair value of investments	1,473,545
Net investment income	2,421,933
Total additions	2,577,502
Deductions:	
Claims paid, net	1,031,968
Benefits paid	229,782
Income tax expense	824,775
Administrative expenses	88,845
Total deductions	2,175,370
Net increase in net assets available for benefits	402,132
<b>Net decrease in benefit obligations</b>	
Increase (decrease) during the year attributable to:	
Net change in claims incurred but not reported	2,168
Net change in health claims payable	(4,456)
Net change in postretirement obligations:	
Benefits paid	(1,274,145)
Interest cost	496,700
Actuarial (gain) and change in actuarial assumptions	(955,290)
Net decrease in benefit obligations	(1,735,023)
Net increase in net assets available for benefits over benefit obligations	2,137,155
Excess of net assets available for benefits over benefit obligations:	
Beginning of year	13,916,976
End of year	\$ 16,054,131

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **1. Description of the Plan**

#### **General**

Principal Financial Group, Inc. (PFG) is the Plan Sponsor.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the Plan) is a welfare plan covering certain Medicare eligible retirees of Principal Life Insurance Company (Principal Life) and its affiliates, their Medicare eligible dependents and certain continuees who meet eligibility requirements.

The Plan includes one Voluntary Employees' Beneficiary Association (VEBA) trust (the Trust).

Information about the Plan, including eligibility, and benefit provisions is contained in the Plan documents. Copies of the Summary Plan Description are available from Principal Life's Human Resources Benefits Department or the Intranet. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### **Benefits**

The Plan benefits provided to eligible participants are medical, health reimbursement accounts (HRA), catastrophic RX, and long term care (LTC).

Medical coverage includes preventative office visits, prescription drugs, hospital, surgical, and other medical benefits. HRA benefits reimburse eligible participant claims. Catastrophic RX coverage provides reimbursement for prescription drug copays that exceed a predetermined catastrophic threshold established by Medicare in the catastrophic phase of Medicare Part D. LTC reimburses up to a specified daily rate at a long term care facility as elected by the retiree and/or their spouse as well as benefits received for home health care and/or adult day care.

The Plan's HRA is funded solely by Plan assets and future PFG contributions. The HRA allows eligible participants to be reimbursed tax free for qualified health expenses subject to a specified ceiling. Amounts remaining at the end of the year can generally be carried over to the next year. The Plan is not permitted to refund any part of the balance to the participant; the account cannot be used for anything other than reimbursements for qualified health expenses; and remaining amounts are not portable upon termination from the Plan.

#### **Contributions**

Contributions to the Plan are made by participants and PFG as defined by the Plan. All Plan assets are held in the Trust.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **Plan Termination**

PFG expects to continue the Plan indefinitely. However, PFG reserves the right to amend or terminate the Plan in whole or in part subject to the provisions set forth in ERISA. If the Plan terminates, the Trust will pay benefits that participants are entitled to receive under the terms of the Plan.

## **2. Significant Accounting Policies**

### **Basis of Accounting**

The accounting records of the Plan are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

### **Accounting Recognition Policy**

All of the Plan's transactions, including contributions, benefit payments, and expenses whether paid through the Trust or otherwise, are recorded in the Plan's financial statements.

### **Valuation of Investments**

The Plan invests in shares of various Principal Funds, Inc. mutual funds which are managed by an indirect wholly owned affiliate of PFG, the ultimate parent of Principal Life. Quoted market prices are used to report all mutual fund investments at fair value.

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 5 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. 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.

### **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 actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee demographics, all of

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, 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.

### Use of Estimates

The preparation of 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 and supplemental schedules. Actual results could differ from those estimates.

### Deferred Income Taxes

Deferred income tax assets and liabilities are computed based on the difference between the financial statements 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.

### 3. Plan Obligations

Plan obligations at December 31 for health claims incurred by retired participants but not reported at that date are estimated by the Plan's actuary, an employee of Principal Life, in accordance with accepted actuarial standards.

Included in the accompanying statements of net assets are amounts related to the Plan's HRA that are available to reimburse participants for qualifying health expenses. As of December 31, 2024 and 2023, participant's accumulated unused HRA balances totaled \$1,107,021 and \$1,034,162, respectively. Claims incurred before plan year-end 2024 and 2023 that were submitted after year-end (but before the cutoff date defined by the Plan) totaled \$70,914 and \$68,747, respectively. Forfeited amounts, as defined by the Plan, will be used to pay future Plan expenses. Plan forfeitures for December 31, 2024 and 2023 are \$78,623 and \$62,362, respectively.

The postretirement benefit obligations represent the actuarial present value of those estimated future benefits that are expected to be paid to or for currently retired participants and their beneficiaries and dependents.

The actuarial present value of the expected postretirement medical and HRA benefit obligation is determined by the Plan's actuary. It is the amount that results from applying actuarial assumptions and historical claims-cost data to estimated future annual incurred claims costs per participant and to adjust 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) between the valuation date and the expected date of payment and to reflect the portion of those costs expected to be borne by Medicare, the retired participants, and other providers.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

For medical benefits at December 31, 2024, an annual rate of increase in the per capita cost of covered health care benefits of 6.25% was assumed starting in 2025. The rate was assumed to decrease gradually to 4.50% over 8 years and remain at that level thereafter. At December 31, 2023, an annual rate of increase in the per capita cost of covered health care benefits of 6.50% was assumed starting in 2024. The rate was assumed to decrease gradually to 4.50% over 9 years and remain at that level thereafter.

The following were other significant valuation assumptions as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Weighted-Average Assumed Discount Rate	<b>5.15%</b>	4.65%
Mortality Rates	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table
Mortality Improvement	Principal 2024 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -13-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2024. No special COVID impacts assumed.	Principal 2023 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -12-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2023. No special COVID impacts assumed.
Post-65 Medical Lapse Assumption	Participants who elect coverage in retirement are assumed to continue coverage during retirement.	Participants who elect coverage in retirement are assumed to continue coverage during retirement.
Post-65 HRA Utilization Rate	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years

A trend assumption of 5.00% was used for LTC to reflect the subsidy increase cap in 2024 and 2023, respectively.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

The health care cost-trend rate assumption has an effect on the amounts reported. If the assumed rates increased by one percentage point in each year, this would increase the obligation as of December 31, 2024 and 2023, by \$51,342 and \$82,301, respectively. The obligation for LTC as of December 31, 2024

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

and 2023 is not sensitive to an increase in trend because the annual increase is capped at 5%, which is the trend assumption used.

### **4. Related Party Transactions**

PFG and its affiliates provide certain services to the Plan, including asset management and custodial services. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

These transactions are exempt from the prohibited transaction rules of ERISA.

### **5. 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 2024 or 2023.

#### **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 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 2024 or 2023.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

### *Mutual Funds*

The shares of 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.

	As of December 31, 2024			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 26,415,358	\$ 26,415,358	\$ —	\$ —

	As of December 31, 2023			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 25,663,910	\$ 25,663,910	\$ —	\$ —

### **6. Income Tax Status**

The Trust funding the Plan has received an exemption letter from the Internal Revenue Service (IRS) dated October 19, 2016, stating that the Trust is tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trust are required to operate in conformity with the terms of the Plan document and the Code to maintain its tax-exempt status of the Trust. The Benefit Plans Administration Committee (BPAC) and PFG believe the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believe the related Trust is tax-exempt.

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 the 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, 2024, 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 Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

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, 2024</b>
Current income tax expense	\$ 292,188
Deferred income tax expense	532,587
Total income tax expense	\$ 824,775

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2024.

The deferred taxes on unrealized investment gains and losses represent the temporary differences between the 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 \$86,235 and a deferred tax liability of \$659,379 at December 31, 2024. The Plan had a deferred tax asset of \$90,640 and a deferred tax liability of \$126,792 at December 31, 2023. Management has established a full valuation allowance of \$86,235 and \$90,640 for the deferred tax asset at December 31, 2024 and 2023, because of the uncertainty regarding whether the Plan's Trust will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 7. 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>2024</b>	<b>2023</b>
Net assets available for benefits per the financial statements	\$ 25,984,119	\$ 25,581,987
Less:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
Net assets available for benefits per Form 5500	\$ 25,853,363	\$ 25,448,943

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## 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, 2024</b>
Net increase in net assets available for benefits per the financial statements	\$ 402,132
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	(2,168)
Health claims payable	4,456
Net income per Form 5500	<u>\$ 404,420</u>

In addition, certain other line items of net asset additions and deductions in the 2024 and 2023 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 balances of net assets available for benefits at December 31, 2024 and 2023.

### **8. Medicare Prescription Drug, Improvement, and Modernization Act of 2003**

The Plan's postretirement benefit obligation does not reflect an amount associated with the Medicare subsidy allowed under the Medicare Prescription Drug Improvement and Modernization Act of 2003 because the Plan is not directly entitled to the Medicare subsidy. PFG has included the effects of the Medicare subsidy in measuring its postretirement benefit obligation; therefore, the Plan's postretirement benefit obligation differs from that of PFG.

### **9. Subsequent Events**

Management has evaluated subsequent events through October 14, 2025, which was the date the financial statements were available to be issued. No additional matters were noted.

# Supplemental Schedules

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4i – Schedule of Assets  
(Held at End of Year)

December 31, 2024

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
*	Principal Funds, Inc.	Bond Market Index Fund	\$ 3,196,074	\$ 2,652,159
*	Principal Funds, Inc.	Core Fixed Income Fund	6,369,236	5,649,137
*	Principal Funds, Inc.	Diversified International Fund	2,489,228	2,625,605
*	Principal Funds, Inc.	High Yield Fund	2,394,059	2,386,690
*	Principal Funds, Inc.	International Small Company Fund	895,810	814,275
*	Principal Funds, Inc.	LargeCap S&P 500 Index Fund	5,827,826	8,465,817
*	Principal Funds, Inc.	Short-Term Income Fund	2,613,215	2,573,919
*	Principal Funds, Inc.	SmallCap Fund	1,040,992	1,247,756
		Total Mutual Funds	<u>\$ 24,826,440</u>	<u>\$ 26,415,358</u>

\*Indicates party-in-interest to the Plan.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2024

<b>Identity of Party Involved</b>	<b>Description of Asset</b>	<b>Purchase Price</b>	<b>Selling Price</b>	<b>Cost of Asset</b>	<b>Current Value of Asset on Transaction Date</b>	<b>Net Realized Loss</b>
<b>Category (iii) – Series of transactions in excess of 5% of plan assets</b>						
Principal Funds, Inc. High Income Fund	Mutual Fund	\$ —	\$ 2,601,035	\$ 2,857,488	\$ 2,601,035	\$ (256,453)
Principal Funds, Inc. High Yield Fund	Mutual Fund	\$ 2,507,862	\$ —	\$ 2,507,862	\$ 2,507,862	\$ —

There were no category (i), (ii), or (iv) reportable transactions during 2024.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

The Principal Welfare Benefit Plan for Medicare Eligible Retirees  
December 31, 2024 and 2023, and for the Year Ended December 31, 2024  
Report of Independent Certified Public Accountants

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Financial Statements and Supplemental Schedules

December 31, 2024 and 2023 and for the Year Ended December 31, 2024

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Report of Independent Certified Public Accountants

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Benefit Plans Administration Committee  
The Principal Welfare Benefit Plan for Medical Eligible Retirees

**Opinion**

We have audited the financial statements of The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits and benefit obligations as of December 31, 2024, and the related statement of changes in net assets available for benefits and benefit obligations for the year then ended, and the related notes to 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 as of December 31, 2024, and the changes in its net assets available for benefits and benefit obligations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 audit. 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 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 US 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 US 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.

#### **Supplemental schedules required by ERISA**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024, and the schedule of reportable transactions for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Other matter - auditor's report on the 2023 financial statements**

The financial statements of the Plan as of and for the year ended December 31, 2023, were audited by other auditors. Those auditors expressed an unmodified opinion on those 2023 financial statements in their report dated October 10, 2024.

*Grant Thornton LLP*

Chicago, Illinois  
October 14, 2025

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Investments, at fair value	\$ 26,415,358	\$ 25,663,910
Contributions receivable:		
Principal Financial Group, Inc.	58,010	35,495
Cash	219,353	127,057
Deposits with insurance companies	4,644	3,012
Total assets	26,697,365	25,829,474
<b>Liabilities</b>		
Income taxes payable	53,867	120,695
Deferred tax liability	659,379	126,792
Net assets available for benefits	25,984,119	25,581,987
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
	130,756	133,044
Postretirement benefit obligations	9,799,232	11,531,967
Total benefit obligations	9,929,988	11,665,011
Excess of net assets available for benefits over benefit obligations	\$ 16,054,131	\$ 13,916,976

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>For the year ended December 31, 2024</b>
<b>Net increase in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Financial Group, Inc.	\$ 153,086
Participants	2,483
Total contributions	<u>155,569</u>
Investment income:	
Dividends and capital gains distributions	948,388
Net appreciation in fair value of investments	1,473,545
Net investment income	<u>2,421,933</u>
Total additions	<u>2,577,502</u>
Deductions:	
Claims paid, net	1,031,968
Benefits paid	229,782
Income tax expense	824,775
Administrative expenses	88,845
Total deductions	<u>2,175,370</u>
Net increase in net assets available for benefits	402,132
<b>Net decrease in benefit obligations</b>	
Increase (decrease) during the year attributable to:	
Net change in claims incurred but not reported	2,168
Net change in health claims payable	(4,456)
Net change in postretirement obligations:	
Benefits paid	(1,274,145)
Interest cost	496,700
Actuarial (gain) and change in actuarial assumptions	(955,290)
Net decrease in benefit obligations	<u>(1,735,023)</u>
Net increase in net assets available for benefits over benefit obligations	2,137,155
Excess of net assets available for benefits over benefit obligations:	
Beginning of year	13,916,976
End of year	<u>\$ 16,054,131</u>

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **1. Description of the Plan**

#### **General**

Principal Financial Group, Inc. (PFG) is the Plan Sponsor.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the Plan) is a welfare plan covering certain Medicare eligible retirees of Principal Life Insurance Company (Principal Life) and its affiliates, their Medicare eligible dependents and certain continuees who meet eligibility requirements.

The Plan includes one Voluntary Employees' Beneficiary Association (VEBA) trust (the Trust).

Information about the Plan, including eligibility, and benefit provisions is contained in the Plan documents. Copies of the Summary Plan Description are available from Principal Life's Human Resources Benefits Department or the Intranet. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### **Benefits**

The Plan benefits provided to eligible participants are medical, health reimbursement accounts (HRA), catastrophic RX, and long term care (LTC).

Medical coverage includes preventative office visits, prescription drugs, hospital, surgical, and other medical benefits. HRA benefits reimburse eligible participant claims. Catastrophic RX coverage provides reimbursement for prescription drug copays that exceed a predetermined catastrophic threshold established by Medicare in the catastrophic phase of Medicare Part D. LTC reimburses up to a specified daily rate at a long term care facility as elected by the retiree and/or their spouse as well as benefits received for home health care and/or adult day care.

The Plan's HRA is funded solely by Plan assets and future PFG contributions. The HRA allows eligible participants to be reimbursed tax free for qualified health expenses subject to a specified ceiling. Amounts remaining at the end of the year can generally be carried over to the next year. The Plan is not permitted to refund any part of the balance to the participant; the account cannot be used for anything other than reimbursements for qualified health expenses; and remaining amounts are not portable upon termination from the Plan.

#### **Contributions**

Contributions to the Plan are made by participants and PFG as defined by the Plan. All Plan assets are held in the Trust.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **Plan Termination**

PFG expects to continue the Plan indefinitely. However, PFG reserves the right to amend or terminate the Plan in whole or in part subject to the provisions set forth in ERISA. If the Plan terminates, the Trust will pay benefits that participants are entitled to receive under the terms of the Plan.

## **2. Significant Accounting Policies**

### **Basis of Accounting**

The accounting records of the Plan are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

### **Accounting Recognition Policy**

All of the Plan's transactions, including contributions, benefit payments, and expenses whether paid through the Trust or otherwise, are recorded in the Plan's financial statements.

### **Valuation of Investments**

The Plan invests in shares of various Principal Funds, Inc. mutual funds which are managed by an indirect wholly owned affiliate of PFG, the ultimate parent of Principal Life. Quoted market prices are used to report all mutual fund investments at fair value.

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 5 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. 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.

### **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 actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee demographics, all of

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, 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.

### Use of Estimates

The preparation of 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 and supplemental schedules. Actual results could differ from those estimates.

### Deferred Income Taxes

Deferred income tax assets and liabilities are computed based on the difference between the financial statements 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.

### 3. Plan Obligations

Plan obligations at December 31 for health claims incurred by retired participants but not reported at that date are estimated by the Plan's actuary, an employee of Principal Life, in accordance with accepted actuarial standards.

Included in the accompanying statements of net assets are amounts related to the Plan's HRA that are available to reimburse participants for qualifying health expenses. As of December 31, 2024 and 2023, participant's accumulated unused HRA balances totaled \$1,107,021 and \$1,034,162, respectively. Claims incurred before plan year-end 2024 and 2023 that were submitted after year-end (but before the cutoff date defined by the Plan) totaled \$70,914 and \$68,747, respectively. Forfeited amounts, as defined by the Plan, will be used to pay future Plan expenses. Plan forfeitures for December 31, 2024 and 2023 are \$78,623 and \$62,362, respectively.

The postretirement benefit obligations represent the actuarial present value of those estimated future benefits that are expected to be paid to or for currently retired participants and their beneficiaries and dependents.

The actuarial present value of the expected postretirement medical and HRA benefit obligation is determined by the Plan's actuary. It is the amount that results from applying actuarial assumptions and historical claims-cost data to estimated future annual incurred claims costs per participant and to adjust 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) between the valuation date and the expected date of payment and to reflect the portion of those costs expected to be borne by Medicare, the retired participants, and other providers.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

For medical benefits at December 31, 2024, an annual rate of increase in the per capita cost of covered health care benefits of 6.25% was assumed starting in 2025. The rate was assumed to decrease gradually to 4.50% over 8 years and remain at that level thereafter. At December 31, 2023, an annual rate of increase in the per capita cost of covered health care benefits of 6.50% was assumed starting in 2024. The rate was assumed to decrease gradually to 4.50% over 9 years and remain at that level thereafter.

The following were other significant valuation assumptions as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Weighted-Average Assumed Discount Rate	<b>5.15%</b>	4.65%
Mortality Rates	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table
Mortality Improvement	Principal 2024 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -13-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2024. No special COVID impacts assumed.	Principal 2023 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -12-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2023. No special COVID impacts assumed.
Post-65 Medical Lapse Assumption	Participants who elect coverage in retirement are assumed to continue coverage during retirement.	Participants who elect coverage in retirement are assumed to continue coverage during retirement.
Post-65 HRA Utilization Rate	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years

A trend assumption of 5.00% was used for LTC to reflect the subsidy increase cap in 2024 and 2023, respectively.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

The health care cost-trend rate assumption has an effect on the amounts reported. If the assumed rates increased by one percentage point in each year, this would increase the obligation as of December 31, 2024 and 2023, by \$51,342 and \$82,301, respectively. The obligation for LTC as of December 31, 2024

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

and 2023 is not sensitive to an increase in trend because the annual increase is capped at 5%, which is the trend assumption used.

### **4. Related Party Transactions**

PFG and its affiliates provide certain services to the Plan, including asset management and custodial services. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

These transactions are exempt from the prohibited transaction rules of ERISA.

### **5. 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 2024 or 2023.

#### **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 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 2024 or 2023.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

### *Mutual Funds*

The shares of 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.

	As of December 31, 2024			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 26,415,358	\$ 26,415,358	\$ —	\$ —

	As of December 31, 2023			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 25,663,910	\$ 25,663,910	\$ —	\$ —

### **6. Income Tax Status**

The Trust funding the Plan has received an exemption letter from the Internal Revenue Service (IRS) dated October 19, 2016, stating that the Trust is tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trust are required to operate in conformity with the terms of the Plan document and the Code to maintain its tax-exempt status of the Trust. The Benefit Plans Administration Committee (BPAC) and PFG believe the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believe the related Trust is tax-exempt.

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 the 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, 2024, 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 Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

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, 2024</b>
Current income tax expense	\$ 292,188
Deferred income tax expense	532,587
Total income tax expense	\$ 824,775

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2024.

The deferred taxes on unrealized investment gains and losses represent the temporary differences between the 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 \$86,235 and a deferred tax liability of \$659,379 at December 31, 2024. The Plan had a deferred tax asset of \$90,640 and a deferred tax liability of \$126,792 at December 31, 2023. Management has established a full valuation allowance of \$86,235 and \$90,640 for the deferred tax asset at December 31, 2024 and 2023, because of the uncertainty regarding whether the Plan's Trust will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 7. 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>2024</b>	<b>2023</b>
Net assets available for benefits per the financial statements	\$ 25,984,119	\$ 25,581,987
Less:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
Net assets available for benefits per Form 5500	\$ 25,853,363	\$ 25,448,943

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## 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, 2024</b>
Net increase in net assets available for benefits per the financial statements	\$ 402,132
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	(2,168)
Health claims payable	4,456
Net income per Form 5500	<u>\$ 404,420</u>

In addition, certain other line items of net asset additions and deductions in the 2024 and 2023 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 balances of net assets available for benefits at December 31, 2024 and 2023.

### **8. Medicare Prescription Drug, Improvement, and Modernization Act of 2003**

The Plan's postretirement benefit obligation does not reflect an amount associated with the Medicare subsidy allowed under the Medicare Prescription Drug Improvement and Modernization Act of 2003 because the Plan is not directly entitled to the Medicare subsidy. PFG has included the effects of the Medicare subsidy in measuring its postretirement benefit obligation; therefore, the Plan's postretirement benefit obligation differs from that of PFG.

### **9. Subsequent Events**

Management has evaluated subsequent events through October 14, 2025, which was the date the financial statements were available to be issued. No additional matters were noted.

# Supplemental Schedules

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4i – Schedule of Assets  
(Held at End of Year)

December 31, 2024

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
*	Principal Funds, Inc.	Bond Market Index Fund	\$ 3,196,074	\$ 2,652,159
*	Principal Funds, Inc.	Core Fixed Income Fund	6,369,236	5,649,137
*	Principal Funds, Inc.	Diversified International Fund	2,489,228	2,625,605
*	Principal Funds, Inc.	High Yield Fund	2,394,059	2,386,690
*	Principal Funds, Inc.	International Small Company Fund	895,810	814,275
*	Principal Funds, Inc.	LargeCap S&P 500 Index Fund	5,827,826	8,465,817
*	Principal Funds, Inc.	Short-Term Income Fund	2,613,215	2,573,919
*	Principal Funds, Inc.	SmallCap Fund	1,040,992	1,247,756
		Total Mutual Funds	<u>\$ 24,826,440</u>	<u>\$ 26,415,358</u>

\*Indicates party-in-interest to the Plan.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2024

<b>Identity of Party Involved</b>	<b>Description of Asset</b>	<b>Purchase Price</b>	<b>Selling Price</b>	<b>Cost of Asset</b>	<b>Current Value of Asset on Transaction Date</b>	<b>Net Realized Loss</b>
<b>Category (iii) – Series of transactions in excess of 5% of plan assets</b>						
Principal Funds, Inc. High Income Fund	Mutual Fund	\$ —	\$ 2,601,035	\$ 2,857,488	\$ 2,601,035	\$ (256,453)
Principal Funds, Inc. High Yield Fund	Mutual Fund	\$ 2,507,862	\$ —	\$ 2,507,862	\$ 2,507,862	\$ —

There were no category (i), (ii), or (iv) reportable transactions during 2024.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

The Principal Welfare Benefit Plan for Medicare Eligible Retirees  
December 31, 2024 and 2023, and for the Year Ended December 31, 2024  
Report of Independent Certified Public Accountants

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Financial Statements and Supplemental Schedules

December 31, 2024 and 2023 and for the Year Ended December 31, 2024

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Report of Independent Certified Public Accountants

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Benefit Plans Administration Committee  
The Principal Welfare Benefit Plan for Medical Eligible Retirees

**Opinion**

We have audited the financial statements of The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits and benefit obligations as of December 31, 2024, and the related statement of changes in net assets available for benefits and benefit obligations for the year then ended, and the related notes to 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 as of December 31, 2024, and the changes in its net assets available for benefits and benefit obligations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 audit. 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 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 US 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 US 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.

#### **Supplemental schedules required by ERISA**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024, and the schedule of reportable transactions for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Other matter - auditor's report on the 2023 financial statements**

The financial statements of the Plan as of and for the year ended December 31, 2023, were audited by other auditors. Those auditors expressed an unmodified opinion on those 2023 financial statements in their report dated October 10, 2024.

*Grant Thornton LLP*

Chicago, Illinois  
October 14, 2025

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Investments, at fair value	\$ 26,415,358	\$ 25,663,910
Contributions receivable:		
Principal Financial Group, Inc.	58,010	35,495
Cash	219,353	127,057
Deposits with insurance companies	4,644	3,012
Total assets	26,697,365	25,829,474
<b>Liabilities</b>		
Income taxes payable	53,867	120,695
Deferred tax liability	659,379	126,792
Net assets available for benefits	25,984,119	25,581,987
<b>Benefit obligations</b>		
Amounts currently payable to or for participants, beneficiaries, and dependents:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
	130,756	133,044
Postretirement benefit obligations	9,799,232	11,531,967
Total benefit obligations	9,929,988	11,665,011
Excess of net assets available for benefits over benefit obligations	\$ 16,054,131	\$ 13,916,976

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

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

	<b>For the year ended December 31, 2024</b>
<b>Net increase in net assets available for benefits</b>	
Additions:	
Contributions:	
Principal Financial Group, Inc.	\$ 153,086
Participants	2,483
Total contributions	<u>155,569</u>
Investment income:	
Dividends and capital gains distributions	948,388
Net appreciation in fair value of investments	<u>1,473,545</u>
Net investment income	<u>2,421,933</u>
Total additions	<u>2,577,502</u>
Deductions:	
Claims paid, net	1,031,968
Benefits paid	229,782
Income tax expense	824,775
Administrative expenses	<u>88,845</u>
Total deductions	<u>2,175,370</u>
Net increase in net assets available for benefits	402,132
<b>Net decrease in benefit obligations</b>	
Increase (decrease) during the year attributable to:	
Net change in claims incurred but not reported	2,168
Net change in health claims payable	(4,456)
Net change in postretirement obligations:	
Benefits paid	(1,274,145)
Interest cost	496,700
Actuarial (gain) and change in actuarial assumptions	<u>(955,290)</u>
Net decrease in benefit obligations	<u>(1,735,023)</u>
Net increase in net assets available for benefits over benefit obligations	2,137,155
Excess of net assets available for benefits over benefit obligations:	
Beginning of year	13,916,976
End of year	<u>\$ 16,054,131</u>

*See accompanying notes.*

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **1. Description of the Plan**

#### **General**

Principal Financial Group, Inc. (PFG) is the Plan Sponsor.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees (the Plan) is a welfare plan covering certain Medicare eligible retirees of Principal Life Insurance Company (Principal Life) and its affiliates, their Medicare eligible dependents and certain continuees who meet eligibility requirements.

The Plan includes one Voluntary Employees' Beneficiary Association (VEBA) trust (the Trust).

Information about the Plan, including eligibility, and benefit provisions is contained in the Plan documents. Copies of the Summary Plan Description are available from Principal Life's Human Resources Benefits Department or the Intranet. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### **Benefits**

The Plan benefits provided to eligible participants are medical, health reimbursement accounts (HRA), catastrophic RX, and long term care (LTC).

Medical coverage includes preventative office visits, prescription drugs, hospital, surgical, and other medical benefits. HRA benefits reimburse eligible participant claims. Catastrophic RX coverage provides reimbursement for prescription drug copays that exceed a predetermined catastrophic threshold established by Medicare in the catastrophic phase of Medicare Part D. LTC reimburses up to a specified daily rate at a long term care facility as elected by the retiree and/or their spouse as well as benefits received for home health care and/or adult day care.

The Plan's HRA is funded solely by Plan assets and future PFG contributions. The HRA allows eligible participants to be reimbursed tax free for qualified health expenses subject to a specified ceiling. Amounts remaining at the end of the year can generally be carried over to the next year. The Plan is not permitted to refund any part of the balance to the participant; the account cannot be used for anything other than reimbursements for qualified health expenses; and remaining amounts are not portable upon termination from the Plan.

#### **Contributions**

Contributions to the Plan are made by participants and PFG as defined by the Plan. All Plan assets are held in the Trust.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements

December 31, 2024

### **Plan Termination**

PFG expects to continue the Plan indefinitely. However, PFG reserves the right to amend or terminate the Plan in whole or in part subject to the provisions set forth in ERISA. If the Plan terminates, the Trust will pay benefits that participants are entitled to receive under the terms of the Plan.

## **2. Significant Accounting Policies**

### **Basis of Accounting**

The accounting records of the Plan are maintained on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

### **Accounting Recognition Policy**

All of the Plan's transactions, including contributions, benefit payments, and expenses whether paid through the Trust or otherwise, are recorded in the Plan's financial statements.

### **Valuation of Investments**

The Plan invests in shares of various Principal Funds, Inc. mutual funds which are managed by an indirect wholly owned affiliate of PFG, the ultimate parent of Principal Life. Quoted market prices are used to report all mutual fund investments at fair value.

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 5 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. 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.

### **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 actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee demographics, all of

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, 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.

### Use of Estimates

The preparation of 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 and supplemental schedules. Actual results could differ from those estimates.

### Deferred Income Taxes

Deferred income tax assets and liabilities are computed based on the difference between the financial statements 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.

### 3. Plan Obligations

Plan obligations at December 31 for health claims incurred by retired participants but not reported at that date are estimated by the Plan's actuary, an employee of Principal Life, in accordance with accepted actuarial standards.

Included in the accompanying statements of net assets are amounts related to the Plan's HRA that are available to reimburse participants for qualifying health expenses. As of December 31, 2024 and 2023, participant's accumulated unused HRA balances totaled \$1,107,021 and \$1,034,162, respectively. Claims incurred before plan year-end 2024 and 2023 that were submitted after year-end (but before the cutoff date defined by the Plan) totaled \$70,914 and \$68,747, respectively. Forfeited amounts, as defined by the Plan, will be used to pay future Plan expenses. Plan forfeitures for December 31, 2024 and 2023 are \$78,623 and \$62,362, respectively.

The postretirement benefit obligations represent the actuarial present value of those estimated future benefits that are expected to be paid to or for currently retired participants and their beneficiaries and dependents.

The actuarial present value of the expected postretirement medical and HRA benefit obligation is determined by the Plan's actuary. It is the amount that results from applying actuarial assumptions and historical claims-cost data to estimated future annual incurred claims costs per participant and to adjust 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) between the valuation date and the expected date of payment and to reflect the portion of those costs expected to be borne by Medicare, the retired participants, and other providers.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

For medical benefits at December 31, 2024, an annual rate of increase in the per capita cost of covered health care benefits of 6.25% was assumed starting in 2025. The rate was assumed to decrease gradually to 4.50% over 8 years and remain at that level thereafter. At December 31, 2023, an annual rate of increase in the per capita cost of covered health care benefits of 6.50% was assumed starting in 2024. The rate was assumed to decrease gradually to 4.50% over 9 years and remain at that level thereafter.

The following were other significant valuation assumptions as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Weighted-Average Assumed Discount Rate	<b>5.15%</b>	4.65%
Mortality Rates	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table	Non-Survivor Retired participants: Pri-2012 White collar dataset base rate mortality table Survivor Retired participants: Pri-2012 Contingent Survivor - White collar dataset base rate mortality table
Mortality Improvement	Principal 2024 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -13-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2024. No special COVID impacts assumed.	Principal 2023 MI scale: MIM2021-v4 model using historical data through 2019 (graduated data through 2017), with: -12-year convergence to long-term rates using sex-distinct and age based rates developed from the Intermediate (Alternative II) scenario of SSA Trustees Report 2023. No special COVID impacts assumed.
Post-65 Medical Lapse Assumption	Participants who elect coverage in retirement are assumed to continue coverage during retirement.	Participants who elect coverage in retirement are assumed to continue coverage during retirement.
Post-65 HRA Utilization Rate	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years	100% of annual allocation will be used, and 20% of unused HRA balances are assumed to be used each year for the next five years

A trend assumption of 5.00% was used for LTC to reflect the subsidy increase cap in 2024 and 2023, respectively.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

The health care cost-trend rate assumption has an effect on the amounts reported. If the assumed rates increased by one percentage point in each year, this would increase the obligation as of December 31, 2024 and 2023, by \$51,342 and \$82,301, respectively. The obligation for LTC as of December 31, 2024

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

and 2023 is not sensitive to an increase in trend because the annual increase is capped at 5%, which is the trend assumption used.

### **4. Related Party Transactions**

PFG and its affiliates provide certain services to the Plan, including asset management and custodial services. Fees for these services and substantially all other administrative costs of the Plan are paid by Principal Life.

These transactions are exempt from the prohibited transaction rules of ERISA.

### **5. 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 2024 or 2023.

#### **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 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 2024 or 2023.

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

### *Mutual Funds*

The shares of 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.

	As of December 31, 2024			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 26,415,358	\$ 26,415,358	\$ —	\$ —

	As of December 31, 2023			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Mutual funds	\$ 25,663,910	\$ 25,663,910	\$ —	\$ —

### **6. Income Tax Status**

The Trust funding the Plan has received an exemption letter from the Internal Revenue Service (IRS) dated October 19, 2016, stating that the Trust is tax-exempt under the provisions of Section 501(c)(9) of the Internal Revenue Code (the Code) as a VEBA. The Plan and the Trust are required to operate in conformity with the terms of the Plan document and the Code to maintain its tax-exempt status of the Trust. The Benefit Plans Administration Committee (BPAC) and PFG believe the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believe the related Trust is tax-exempt.

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 the 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, 2024, 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 Principal Welfare Benefit Plan for Medicare Eligible Retirees

## Notes to Financial Statements (continued)

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, 2024</b>
Current income tax expense	\$ 292,188
Deferred income tax expense	532,587
Total income tax expense	\$ 824,775

The current income taxes are primarily related to the investment income recognized by the Plan for the year ended December 31, 2024.

The deferred taxes on unrealized investment gains and losses represent the temporary differences between the 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 \$86,235 and a deferred tax liability of \$659,379 at December 31, 2024. The Plan had a deferred tax asset of \$90,640 and a deferred tax liability of \$126,792 at December 31, 2023. Management has established a full valuation allowance of \$86,235 and \$90,640 for the deferred tax asset at December 31, 2024 and 2023, because of the uncertainty regarding whether the Plan's Trust will generate sufficient gains in the future to allow utilization of the existing unrealized losses.

### 7. 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>2024</b>	<b>2023</b>
Net assets available for benefits per the financial statements	\$ 25,984,119	\$ 25,581,987
Less:		
Claims incurred but not reported	106,914	104,746
Health claims payable	23,842	28,298
Net assets available for benefits per Form 5500	\$ 25,853,363	\$ 25,448,943

# The Principal Welfare Benefit Plan for Medicare Eligible Retirees

## 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, 2024</b>
Net increase in net assets available for benefits per the financial statements	\$ 402,132
(Increase) decrease in benefit obligation:	
Claims incurred but not reported	(2,168)
Health claims payable	4,456
Net income per Form 5500	<u>\$ 404,420</u>

In addition, certain other line items of net asset additions and deductions in the 2024 and 2023 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 balances of net assets available for benefits at December 31, 2024 and 2023.

### **8. Medicare Prescription Drug, Improvement, and Modernization Act of 2003**

The Plan's postretirement benefit obligation does not reflect an amount associated with the Medicare subsidy allowed under the Medicare Prescription Drug Improvement and Modernization Act of 2003 because the Plan is not directly entitled to the Medicare subsidy. PFG has included the effects of the Medicare subsidy in measuring its postretirement benefit obligation; therefore, the Plan's postretirement benefit obligation differs from that of PFG.

### **9. Subsequent Events**

Management has evaluated subsequent events through October 14, 2025, which was the date the financial statements were available to be issued. No additional matters were noted.

# Supplemental Schedules

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4i – Schedule of Assets  
(Held at End of Year)

December 31, 2024

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
*	Principal Funds, Inc.	Bond Market Index Fund	\$ 3,196,074	\$ 2,652,159
*	Principal Funds, Inc.	Core Fixed Income Fund	6,369,236	5,649,137
*	Principal Funds, Inc.	Diversified International Fund	2,489,228	2,625,605
*	Principal Funds, Inc.	High Yield Fund	2,394,059	2,386,690
*	Principal Funds, Inc.	International Small Company Fund	895,810	814,275
*	Principal Funds, Inc.	LargeCap S&P 500 Index Fund	5,827,826	8,465,817
*	Principal Funds, Inc.	Short-Term Income Fund	2,613,215	2,573,919
*	Principal Funds, Inc.	SmallCap Fund	1,040,992	1,247,756
		Total Mutual Funds	<u>\$ 24,826,440</u>	<u>\$ 26,415,358</u>

\*Indicates party-in-interest to the Plan.

The Principal Welfare Benefit Plan for Medicare Eligible Retirees

EIN: 42-1520346 Plan Number: 513

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2024

<b>Identity of Party Involved</b>	<b>Description of Asset</b>	<b>Purchase Price</b>	<b>Selling Price</b>	<b>Cost of Asset</b>	<b>Current Value of Asset on Transaction Date</b>	<b>Net Realized Loss</b>
<b>Category (iii) – Series of transactions in excess of 5% of plan assets</b>						
Principal Funds, Inc. High Income Fund	Mutual Fund	\$ —	\$ 2,601,035	\$ 2,857,488	\$ 2,601,035	\$ (256,453)
Principal Funds, Inc. High Yield Fund	Mutual Fund	\$ 2,507,862	\$ —	\$ 2,507,862	\$ 2,507,862	\$ —

There were no category (i), (ii), or (iv) reportable transactions during 2024.