Guaranteed interest accounts

Retirement plan goals and the needs of participants are diverse, so flexibility and choice are key when it comes to the products offered in a retirement plan. That’s where fixed income products can help. And it’s important to consider all your options, so you can find the products that best meet the needs of your plan and participants.

Looking for a fixed income product that keeps pace with current market interest rates? Consider a guaranteed interest account.

In simple terms, a guaranteed interest account is a low-risk, conservative product that guarantees principal and interest for a set period of time.

Here’s a snapshot of how our guaranteed interest account works:

- Provides a guaranteed interest rate from two to seven years (you choose up to two periods to offer your participants) — participants decide which of the maturity periods they’re comfortable with.
- Guarantees are backed by the multibillion-dollar general account of Principal Life Insurance Company, which invests in bonds, government securities, commercial real estate mortgages and other fixed income securities.
- Offers fee flexibility with either a zero revenue (Z Class) or 65 basis points (A Class) class of contract.
- Principal and interest are guaranteed no matter the performance of the underlying general account.
- Guaranteed crediting rates can change daily for new deposits, so be mindful of the current interest rate environment.
- Surrender charges may apply if a participant transfers or withdraws before maturity (set period of time).
So, why consider a guaranteed interest account?

There are several reasons why a guaranteed interest account might be a good fit for your retirement plan. You can start by thinking of these things:

- Do you want flexibility with the fixed income products you make available in your retirement plan lineup?
- Are you looking for a product that guarantees principal and interest, but also keeps pace with the current interest rate environment?
- Do you have participants nearing retirement or who are looking for products with less volatility and risk?
- Are you comfortable with plan sponsor or participant transfer charges or restrictions?

If you answered yes to any of these questions, our guaranteed interest account can help address those needs.

Ready to take the next step?

Talk to your advisor or Principal® rep if you want to offer our guaranteed interest account in your retirement plan. And if you’re looking for alternative products, we’ve got you covered with our entire spectrum of fixed income options.


Guarantees are backed by all the assets in the Principal Life multi-billion-dollar General Account, which invests in private market bonds, commercial mortgages and mortgage-backed securities. However, money you allocate to a guaranteed interest account does not entitle you to participate in the investment experience or performance of the General Account.

Insurance products and plan administrative services provided through Principal Life Insurance Co., a member of the Principal Financial Group®, Des Moines, IA 50392. Certain investment options and contract riders may not be available in all states or U.S. commonwealths.

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