

3. AUTHORIZATION OF EMPLOYER / PLAN ADMINISTRATOR

By signing this distribution request by the employee, I certify that the requirements for a valid distribution under Internal Revenue Code Section 403(b) have been met, and that I have entered into a 403(b) plan agreement with the investment service provider as required by regulations.

Signature of Employer or Authorized Plan Administrator _____ Date (MM/DD/YYYY) _____

Title _____ Company _____

4. DISTRIBUTION PAYMENT OPTIONS

A. Please select one of the following distribution payment options, then complete Section 4B.

- Balance of Account
- Partial Distribution (choose one) Dollar amount _____ Number of shares _____
- Systematic Withdrawal Plan (SWP) beginning on _____ (MM/DD/YYYY) in the amount of \$ _____

Please select one of the following:

- Monthly Semiannually
- Quarterly Annually

Dividend and/or Capital Gains Distributions paid in cash

Note: Distributions that are \$10 or less will automatically be reinvested into the same Portfolio/Fund and share class. Federal and state tax withholding do not apply for this option.

B. Take my distributions from: Pro Rata* All funds in equal % – OR – As indicated below:

_____	_____	\$ _____	– OR –	_____ %
Portfolio/Fund Name	Portfolio/Fund Number			
_____	_____	\$ _____	– OR –	_____ %
Portfolio/Fund Name	Portfolio/Fund Number			
_____	_____	\$ _____	– OR –	_____ %
Portfolio/Fund Name	Portfolio/Fund Number			

* Pro Rata distributions will be taken proportionately from your account based on share balances at the time of request.

7. TAX WITHHOLDING

Your year-end statement will show your 403(b)(7) distribution(s) and the amount(s) withheld for taxes, if any, for the year. If the distribution you take is an Eligible Rollover Distribution (ERD) then we will withhold 20% per IRS regulations, unless you indicate the distribution is to be rolled over. If the distribution is not eligible for rollover, as outlined in the 402(f) notice in Section 8, then you may follow the voluntary Federal Income Tax withholding rules. In addition to Federal Income Tax withholding, you may be liable for payment of State Income Tax on the taxable portion of your 403(b)(7) distribution. For specific information regarding your responsibility, you should contact the state in which you reside. If you are a non-resident alien, you may instruct us not to withhold taxes from your distribution(s); however you may be subject to other taxes. In addition to this form, you must also send us a completed and signed IRS Form W-8, "Certificate of Foreign Status". To obtain a copy of this form, call the IRS at 1-800-829-1040 or visit the IRS Web site at irs.gov.

Non-mandatory distribution(s) you take from your 403(b)(7) custodial account may be subject to 20% Federal Income Tax withholding. If the distribution is an Eligible Rollover Distribution (ERD) and you do not intend to rollover the proceeds, we will withhold 20% in accordance with IRS regulations. If the distribution is not part of an ERD, you may elect not to have Federal withholding apply to your distribution according to the voluntary Federal Income Tax withholding rules. If you do not have enough Federal Income Tax withheld from your distribution, you may be responsible for payment of estimated income tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. To help determine how much you should withhold, please refer to IRS Publication 505 and Form W-4P. Principal Funds recommends you seek the advice of your legal or tax advisor if you have any questions regarding the tax consequences of a distribution.

The option you choose below will remain in effect unless you notify us, in writing, that you want to make a change. Please note that you can change your withholding instructions at any time.

This is an Eligible Rollover Distribution (ERD) subject to the 20% mandatory withholding:

- Yes, take the 20% withholding from this distribution as required.
- No, do not take the 20% withholding from this distribution, as the proceeds are to be directly rolled over to another eligible retirement account.

Federal Tax Withholding

This distribution is a periodic distribution or one of the conditions of the 402(f) notice (see Section 8) applies and is subject to the voluntary Federal Income Tax withholding rules:

- I elect **NOT** to have federal income tax withheld.
- Please withhold federal income tax at the following percentage: _____ % (whole percentages greater than 10% only)

State Tax Withholding

Check one of the following boxes to indicate whether you wish to have state income taxes withheld. State tax withholding may apply even if you do not check a box below. Also, some states do not offer state tax withholding. Refer to the instructions for specific information concerning your state.

- I elect **NOT** to have state income tax withheld.
- Please withhold state taxes in the amount of \$ _____ (dollar amount only)

State Tax Withholding

If federal income tax withholding is applied to your distribution, your state may also require state income taxes to be withheld. Laws regarding tax withholding are subject to change at any time without notice. Please see your tax advisor for additional information. Depending on your state of residency, the following rules apply:

If your state of residence has:	Your options for state tax withholding are:
Mandatory State Withholding	If you elect federal tax withholding, state tax withholding <u>will</u> be applied, and will be calculated based on your state's applicable minimum requirements. You may also elect a specific dollar amount, however, your requested amount must be equal to or greater than your state's minimum withholding requirement, otherwise we will apply your state's applicable minimum withholding requirement.
Non-Participatory State Withholding	You may not elect state tax withholding. State tax withholding is <u>not available</u> even if your state has state income taxes.
Voluntary State Withholding	If you elect federal tax withholding, you may elect voluntary state income tax withholding. You must provide a specific dollar amount to be applied for state tax withholding.

Regardless of whether you elect to have federal, and if applicable, state tax withholding apply, you are liable for the payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution. You also may be subject to tax penalties under the estimated tax payment rules if your estimated tax payments and withholding are not adequate. IRS Publication 505 should be reviewed, especially by new retirees.

8. ELIGIBLE ROLLOVER DISTRIBUTIONS ACKNOWLEDGEMENT AND SIGNATURE(S)

Read this section to make sure you understand your responsibilities regarding distributions from your 403(b)(7) custodial account. Please sign and date below to show that you have given Principal Funds all the correct information and that you understand distributions will be made according to the instructions you have given us. NOTE: Amounts distributed from 403(b)(7) accounts for the purpose of satisfying the Participant's RMD are NOT eligible for rollover.

INSTRUCTIONS FOR DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS: NOTICE 402(f)

If your distribution is eligible for a rollover, there are two ways you may be able to receive a 403(b)(7) custodial account distribution that is eligible for rollover: (1) certain payments can be made directly to a Traditional IRA or, if you choose, another eligible retirement account or annuity that will accept it (direct rollover), or (2) the payment can be paid to you. If you choose to have your 403(b)(7) distribution paid to you, you will receive only 80% of the distribution, because the Custodian is required to withhold 20% of the distribution and send it to the IRS as income tax withholding to be credited against your taxes. **You cannot waive that withholding.** Eligible rollover distributions are all distributions from the 403(b)(7) custodial account except the following:

- required minimum distributions;
- distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lives of you and your beneficiary) or for a specified period of 10 years or more;
- distributions to non-spouse beneficiaries of deceased participants;
- distributions of after-tax employee contributions; and
- distributions of elective deferrals due to hardship.

The Custodian has provided you a custodial agreement which describes your options in greater detail. If you want the Custodian to make a direct rollover of your 403(b)(7) payout to another 403(b)(7) account or annuity, or other qualifying retirement account, you must provide certain information about that 403(b)(7) account or annuity or other qualifying retirement account. The Custodian may ask you to complete and attach a Direct Rollover Request or similar form. NOTE: Your 403(b)(7) distribution **cannot** be rolled over to a Roth IRA, a SIMPLE IRA, or an Education Savings Account.

I acknowledge that I have read and understood this 403(b)(7) Distribution Form and the instructions for completing it. I certify under penalty of perjury that the Social Security Number I have provided on this form is correct. I authorize Principal Funds to follow my instructions as indicated on this form. I further acknowledge that I am advised by Principal Shareholder Services, Inc., the Custodian and their Agents to consult with my legal or tax advisor regarding the possible tax consequences of distributions from my 403(b)(7) custodial account.

Principal Account Owner's Signature

(MM/DD/YYYY)

Principal Account Owner's Signature

(MM/DD/YYYY)

Medallion Signature Guarantee:

Medallion Signature Guarantee:

Bank Account Owner's First Name, Middle Initial, Last Name

Bank Account Owner's First Name, Middle Initial, Last Name

Bank Account Owner's Signature

(MM/DD/YYYY)

Bank Account Owner's Signature

(MM/DD/YYYY)

Medallion Signature Guarantee:

Medallion Signature Guarantee:

A Medallion Signature Guarantee stamp is required for each Principal Account Owner's signature if requesting:

- full or partial distribution within 15 days of an address change
- all distributions totaling more than \$100,000
- all distributions to be mailed to an address other than the address of record
- all distributions made payable to an individual/entity other than the Principal Account Owner
- full, partial, and systematic distributions to a bank account NOT ON FILE, NO voided check is provided and there is NOT a common owner between the registrations of the Principal Account and the Bank Account (in this case, we also require a signature and a Medallion Signature Guarantee stamp for each Bank Account Owner)
- divorce distributions

The signature(s) must be guaranteed by a commercial bank, trust company, credit union, savings and loan, national securities exchange member, or brokerage firm that participates in a Medallion program recognized by the Securities Transfer Association. A signature guaranteed by a notary public or savings bank is not acceptable.