

SHAFF KAREN E  
Form 4  
February 10, 2009

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SHAFF KAREN E

2. Issuer Name and Ticker or Trading Symbol  
PRINCIPAL FINANCIAL GROUP INC [PFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
711 HIGH STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/06/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Exec. VP and General Counsel

DES MOINES, IA 50392

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/06/2009		A	V Amount 12,362	(A) or (D) Price \$ 0 (1)	31,347 (2)	D
Common Stock					5,773	I	By 401(k) Plan
Common Stock					2,801	I	By Spouse
Common Stock					500	I	By Immediate Family Member's IRA

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with 10 columns: 1. Title of Derivative Security (Instr. 3), 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date (Month/Day/Year), 3A. Deemed Execution Date, if any (Month/Day/Year), 4. Transaction Code (Instr. 8), 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5), 6. Date Exercisable and Expiration Date (Month/Day/Year), 7. Title and Amount of Underlying Securities (Instr. 3 and 4), 8. Price of Derivative Security (Instr. 5), 9. Number of Derivative Securities Owned Beneficially (Instr. 5). Includes sub-headers for Date Exercisable and Expiration Date, and Title or Number of Shares.

Reporting Owners

Table with 2 main columns: Reporting Owner Name / Address and Relationships. Relationships sub-columns: Director, 10% Owner, Officer, Other. Entry: SHAFF KAREN E, 711 HIGH STREET, DES MOINES, IA 50392, Exec. VP and General Counsel.

Signatures

Joyce N. Hoffman, by Power of Attorney, 02/10/2009. Legend: \*\*Signature of Reporting Person, Date.

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1) Vesting and settlement of performance shares granted in 2006 and subject to corporate performance measures over a three-year period.
(2) Includes 3,754 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.