



Principal Life Insurance Company
Des Moines, Iowa 50392-0001

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The New York Hotel Trades
Council and Hotel Association of
New York City, Inc.
401(k) Savings Plan
Contract: 4-46173

Eligibility and Entry

You are eligible to join the plan if you:

- have completed the service probationary period
- are represented under a collective bargaining agreement between the Council and your Employer

Once you meet the eligibility requirements, you may enter the plan on January 1 or July 1.

Pay

In general, pay is total pay from your employer (under the collective bargaining agreement), including salary deferral contributions. Your Fund Office can provide more detailed information.

Salary Deferral Contributions

You may choose to contribute from 1% to 25% of your pay each plan year. Your taxable income is reduced by the amount you contribute through salary deferral. This lets you reduce your current income taxes. Your total salary deferral in 2006 may not be more than \$15,000. Your maximum deferral percentage and/or dollar amount may also be limited by IRS regulations.

Salary Deferral Changes

You may stop making salary deferral contributions at any time. You may change your salary deferral amount quarterly.

Vesting

You are always 100% vested in the contributions YOU choose to defer. You cannot forfeit these contributions.

Investments

Contributions will be automatically directed to your contract investment default if you do not choose a different investment selection(s). Please see your Fund Office for more details.

You may invest your contributions in any or all of the following choices:

Stable

Principal Stable Value Fund

Conservative

Principal Bond & Mortgage Sep Acct

Moderate

Principal Large Cap Stock Index Sep Acct

Principal Stock Emphasis Balanced Sep Acct

Aggressive

Principal Mid Cap Stock Index Sep Acct

Principal Small Company Blend Sep Acct

Investment Mix Changes

You may change your investment mix anytime.

Changes made through TeleTouch (a toll-free number) and the Internet are free. A charge will apply to all paper requests.

Account Information

You may obtain account information through:

- Retirement Plan Statement (semi-annual)
- TeleTouch
- Internet

Expenses

Some plan expenses are deducted from each member's account and some will be netted to reduce the credited investment return.

When You Receive Benefits

You may receive money from your account* at:

- Retirement (age 59 1/2)
- Age 59 1/2 and still working
- Death
- Disability
- Termination of Employment

Financial Hardship

You may withdraw all or part of your salary deferral contributions (not earnings) if you can prove financial hardship and are unable to meet your financial needs another way.

The plan defines hardship as an "immediate and severe financial need" and includes only College Education, Purchase of a Primary Residence, Prevention of Eviction or Foreclosure, and Medical Expenses.

Salary deferral contributions will be suspended for one year and limited for the second year after your withdrawal.

Other Information

Your salary deferral contributions do not affect your Social Security taxes or any of your other group benefits.

This is a brief summary of your plan. If there are any discrepancies between this summary and the plan document, the plan document will govern. Contact your Fund Office if you would like to see the plan document.

*Most withdrawals/distributions are subject to taxation and required withholding. Check with your financial/tax advisor on how this may affect you.

The Principal is required by the IRS to withhold 20% of any distribution eligible for rollover if it is not directly rolled over to another qualified retirement plan, an IRA, or used to purchase an annuity to be paid over a minimum period of the lesser of 10 years or the member's life expectancy. This withholding will offset a portion of federal income taxes you owe on the distribution.

Your retirement plan may be affected differently by individual state taxation rules. Contact your tax advisor with questions.

The Retirement & Investor Services - Client Contact Center at The Principal is available to answer questions about your retirement plan, too. Please call 1-800-547-7754 Monday through Friday, 7AM - 9PM and Saturday between 8AM - 2PM (Central Time) to speak to a counselor.

To find out more information about the Principal Financial Group®, visit our home page at <http://www.principal.com>.