MCCAUGHAN JAMES P

Form 4

December 20, 2005

FORM 4

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005
Estimated average

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

response...

burden hours per

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * MCCAUGHAN JAMES P			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)	3. Date of Earliest Transaction (Month/Day/Year)	Director 10% OwnerX_ Officer (give title Other (specify			
711 HIGH STREET			12/16/2005	below) below) President - Global Asset Mgmt.			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
DES MOINES	, IA 50392			Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acq	quired, Disposed of, or Beneficially Owned			

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	* *		5. Amount of Securities Beneficially	6. Ownership Form: Direct (D) or	7. Nature of Indirect Beneficial	
(IIIstr. 3)		(Month/Day/Year)	(Instr. 8)	Disposed of (D) (Instr. 3, 4 and 5)		Owned Following	Indirect (I) (Instr. 4)	Ownership (Instr. 4)	
					(A) or		Reported Transaction(s)		
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	12/16/2005		A	233	A	\$ 0 (1)	34,432 (2)	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. 5. Number Transaction Derivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		(Instr. 3 and 4)		8. Pric Deriva Securi (Instr.
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units	(3)	12/16/2005	A	138.6	<u>(4)</u>	<u>(4)</u>	Common Stock	138.6	\$ 49

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

MCCAUGHAN JAMES P 711 HIGH STREET DES MOINES, IA 50392

President - Global Asset Mgmt.

Signatures

Joyce N. Hoffman, by Power of Attorney

12/20/2005

**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) Grant of restricted stock units.
- (2) Includes 1,404 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
- (3) Security converts to common stock on a one-for-one basis.

The reported phantom stock units were acquired pursuant to the Principal Select Savings Excess Plan and may be transferred at any time (4) into another investment alternative under the Plan Interests under the Plan will be settled upon the reporting person's retirement or other

(4) into another investment alternative under the Plan. Interests under the Plan will be settled upon the reporting person's retirement or other termination of service.

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.

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