

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report: **May 19, 2008**
(Date of earliest event reported)

PRINCIPAL FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

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|--|--|---|
| Delaware (State or other jurisdiction of incorporation) | 1-16725 (Commission file number) | 42-1520346 (I.R.S. Employer Identification Number) |
|--|--|---|

711 High Street, Des Moines, Iowa 50392

(Address of principal executive offices)

(515) 247-5111

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 19, 2008, the Board of Directors of Principal Financial Group, Inc. (the "Company") appointed Terry J. Lillis to the position of senior vice president effective immediately, and to the position of chief financial officer effective August 7, 2008. Mr. Lillis currently holds the position of vice president and chief financial officer for the Retirement & Investor Services division of the Company. A press release on this topic is included with this report as Exhibit 99. Michael H. Gersie currently serves as the Company's executive vice president and chief financial officer. Mr. Gersie previously announced his intention to retire no later than December 31, 2008.

In connection with his promotion, Mr. Lillis' annual salary will be \$319,000, subject to periodic adjustment in accordance with the Company's regular salary review policy. In addition, Mr. Lillis will participate in the Company's annual and long-term incentive compensation plans, qualified and non-qualified savings and retirement plans and other benefits as described in the Company's current proxy statement filed with the Securities and Exchange Commission on April 9, 2008.

Mr. Lillis' annual incentive target will be 70% of salary, and his long-term incentive award opportunity is 175% of salary for target performance. Mr. Lillis will also receive in connection with his promotion a long-term incentive grant of \$300,000 pursuant to the Company's long-term incentive plan, representing a grant equal to 150% of salary, less the value of prior 2008 grants. Realized compensation may vary considerably above or below the target award opportunity based on the Company's performance and changes in share price over a three-year performance cycle subsequent to the grant.

Item 9.01 Financial Statements and Exhibits

99 Press Release Announcing Lillis Promotion

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRINCIPAL FINANCIAL GROUP, INC.

By: _____
Name: Joyce N. Hoffman
Title: Senior Vice President and Corporate Secretary

Date: May 23, 2008

RELEASE: On Receipt, May 22, 2008
MEDIA CONTACT: Eva Quinn, The Principal, 515.247.7468, quinn.eva@principal.com
Rick Swalwell, The Principal, 515.235.6320, swalwell.rick@principal.com
INVESTOR CONTACT: Tom Graf, 515-235-9500, graf.tom@principal.com

The Principal Financial Group Announces CFO Succession

Terry Lillis Named Chief Financial Officer

(Des Moines, Iowa) – As part of a planned leadership succession, the Principal Financial Group® announced Terry J. Lillis is promoted to senior vice president effective immediately. Lillis will assume the title of chief financial officer effective August 7, 2008, in preparation for the retirement later this year of current Chief Financial Officer and Executive Vice President Michael H. Gersie. Lillis previously served as vice president and chief financial officer for the Retirement & Investor Services division of The Principal®.

“Terry’s 26 years of experience in key financial and leadership roles at The Principal make him uniquely qualified for this critical position,” says Larry Zimpleman, president and chief executive officer. “His proven financial track record in leading our largest business – Retirement & Investor Services – provides unmatched preparation for directing the finances of the entire organization.”

Lillis Background

Lillis joined the company in 1982 as an actuarial student. He was elected an officer in 1988 and held various senior actuarial and management roles through 2000 when he was named chief financial officer – Retirement and Investor Services.

An Iowa native, Lillis received his bachelor’s degree from Simpson College in Indianola, Iowa, and his master’s degree from the University of Iowa in Iowa City, Iowa. He is a member of the Iowa Actuaries Club, the American Academy of Actuaries and a member of the Society of Actuaries. He serves on the board of the Peace Officers’ Retirement System and Iowa Dollars for Scholars.

About the Principal Financial Group

The Principal Financial Group® (The Principal®)¹ is a leader in offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement and investment services, life and health insurance, and banking through its diverse family of financial services companies. A member of the Fortune 500, the Principal Financial Group has \$304.2 billion in assets under management² and serves some 18.8 million customers worldwide from offices in Asia, Australia, Europe,

¹ “The Principal Financial Group” and “The Principal” are registered service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

² As of March 31, 2008

Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG. For more information, visit www.principal.com.

Photo available upon request