



PACIFIC LIFE

*Pacific*  
*Income Provider*<sup>SM</sup>

A Single-premium, Immediate Fixed Annuity  
for a Confident Retirement

80002-11A 9/11

Client Guide



# *The Power to Help You Succeed<sup>®</sup>*

Pacific Life has more than 140 years of experience, and we remain committed to providing quality products, service, and stability to meet your needs today and throughout your lifetime.

It's essential for you to choose a strong and stable company that can help you achieve your future income needs. For generations, individuals and their families have relied on the strength of Pacific Life to protect their financial security.

- Pacific Life Insurance Company is organized under a mutual holding company structure and operates for the benefit of its policyholders and contract owners.
- We have achieved ongoing recognition for high-quality service standards.
- We offer products that address market environments during all stages of your life.
- We maintain strong financial strength ratings from major independent rating agencies.

Ratings may change. For more information and current financial strength ratings, please visit our website.

Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

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# Make the Most of Your Retirement

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You've worked hard, saved diligently, and now it's time to enjoy your retirement. Working with your financial professional, you have an opportunity to create a unique retirement strategy that can help maximize and protect your income for the rest of your life.

During your planning, you may find preparing for retirement to be a challenge. Pacific Income Provider—a single-premium, immediate fixed annuity—can help you address each of the following key concerns in retirement.

## **Where will I get the income to sustain the lifestyle I've planned?**

Social Security and pension benefits provide the average retiree with about 37% of his or her total income in retirement. This means that 63% of the average retiree's income is derived from his or her own investments.

**Source:** Social Security Administration, *Income of the Aged Chartbook*, 2008.

## **How can I ensure my income lasts for my lifetime?**

Because of advancements in medicine and increased health awareness, people are living longer. Between 1900 and 2007, life expectancy in the U.S. increased by more than 60%. For a 65-year-old couple today, there is a one in two chance that one person will live beyond age 90.

**Sources:** Department of Health and Human Services, *A Profile of Older Americans*, 2009; Society of Actuaries, *Longevity Report*, 2006.

If you've asked yourself any of these questions, you have taken an important step in planning for the future. About a year before retirement, only 22% of retirees started to seriously plan for the inherent challenges that this phase of life brings. (Source: Employee Benefit Research Institute, *Fast Facts*, 2010.)

Pacific Income Provider can help by providing you with an income guaranteed to last a lifetime. Guarantees are based on the financial strength and claims-paying ability of Pacific Life.

## **How can I protect my retirement income from market fluctuations?**

Market swings and interest-rate changes can have a negative impact on retirement income, making it challenging to plan for future income needs.

## **How will I deal with the rising cost of medical care?**

Seniors spend more per capita on healthcare expenses than any other age group. Research shows that Medicare only covers half of these expenses. The average couple retiring at 65 will need \$197,000 to pay healthcare costs in retirement.

**Source:** Center for Retirement Research at Boston College, 2010.



# Helping You Enjoy a Comfortable Retirement



An immediate annuity can be an important part of your retirement portfolio. By allocating a portion of your retirement savings to Pacific Income Provider, you may be able to stretch your retirement dollars to provide you more income with the same amount of assets.

## **Guaranteed Income**

Pacific Income Provider offers a pension-like stream of guaranteed, consistent income for your lifetime or for a specified period of time. You may choose to receive your first income payment anytime within the first year, and despite market fluctuations, you can be confident that your income amount will never vary because of market performance.

## **Flexibility**

Pacific Income Provider gives you two unique options allowing you to adjust future income payments to protect against inflation or to plan for a future change in income, such as receiving Social Security benefits.

## **Tax-advantaged Income**

Pacific Income Provider can provide you with advantages if you purchase with after-tax assets (nonqualified). When you begin taking income payments, your tax liability is spread out over time, giving you tax-advantaged income. Each income payment is composed of earned interest, which is taxable, and a partial return of your original purchase payment on which you have already paid taxes.

## **Who's Who in an Annuity?**

It's important to know who the key parties are in an annuity contract.

### **Owner**

The owner makes the decisions about the annuity, such as how much money to put into the contract, and is the recipient of the annuity income payments. The owner also names the annuitants and the beneficiaries.

### **Annuitant**

The owner and the annuitant may or may not be the same person. Either way, it's the annuitant's life expectancy that is used to set the dollar amount of future income payments.

### **Beneficiary**

If the owner dies, usually the beneficiary is the one who has the right to receive the income payments.

*There may be one or more owners, annuitants, and beneficiaries.*



## *Retirement in Action*

Let's take a look at an example of how Pacific Income Provider can help a couple enjoy their retirement with less worry.

**John and Mary**, both age 65, are retiring at the end of the year and need \$4,000 per month in guaranteed income to cover basic living expenses, including medical costs. They have a pension and Social Security totaling \$2,800 per month, leaving a shortfall of \$1,200. They also have \$400,000 in other investments.

**Challenge:** How can John and Mary get the additional \$1,200 per month they need?

**Action:** By using some of their investment dollars to purchase Pacific Income Provider with lifetime income payments for both of their lives, they could receive the additional \$1,200 per month necessary to cover their expenses.





# Create the Income You Need

## You Have Options

You can customize your income to meet your retirement planning needs. Pacific Income Provider allows you to choose from a variety of options. Income payments will differ based on several factors, including your age, gender, and the amount you contribute.

Determining which option is best for you depends on your retirement income goals. You may want to replace your current paycheck, plan for an increase in medical costs, or even protect your income from market fluctuations. Consider your personal needs carefully as you choose your option.

<b>Guaranteed Income Options</b>	<b>Period Certain</b> Income payments last for a specific time you choose, up to 30 years. If the annuitant dies during the specified time, the remainder of the payments will still be paid to the beneficiary.
	<b>Life Only</b> Income payments are guaranteed for as long as an annuitant is living. This option provides the highest payment amount for one life.
	<b>Life with Period Certain</b> Lifetime income is guaranteed for a minimum period of up to 30 years. If an annuitant lives beyond the specified period, then payments will continue to be made for life. If the annuitant dies during the specified time, payments will be made to the beneficiary for the remainder of the time period.
	<b>Life with Cash Refund</b> Income payments are made for the life of the annuitant. When the annuitant dies, any remaining purchase amount will be paid to the beneficiary as a lump sum. The remaining purchase amount equals your original purchase payment minus the total income payments received.

All the Life options also are available in Joint versions if you need income to last throughout the lives of two individuals—yourself and one other person. Whether the survivor will continue to receive the same income that was paid while both of you were alive, or just a percentage of that income, is up to you.

By choosing to reduce income when one person dies, you will receive a higher amount of income while you are both living. You also have flexibility in determining when to reduce income. Payments can be reduced upon either person's death (Joint Life option), or upon just one person's death (Joint and Survivor Life option).

You can choose to receive your income payments monthly, quarterly, semiannually, or annually. If you select a Period Certain income option, the time period selected will impact the amount of your income payment. Once your contract is issued, the income option and frequency selected cannot change.

## Access to Your Income Payments

If you have an urgent need to access cash, some of the income options allow you to take a withdrawal after your first contract anniversary. You may access up to 100% of the present value of your remaining guaranteed payments (Period Certain or Cash Refund). An adjustment will apply based on the option selected. This feature is subject to state availability.



## *Retirement in Action*

Pacific Income Provider may help manage concerns about fluctuating investment values and interest rates. Here's an example of how that could work.

**Virginia** is 69 years old and is planning to take income from her individual retirement account (IRA), which consists of \$500,000 invested in stocks and bonds. She would like to receive \$20,000 a year from this IRA, but is concerned she could run out of money if its investment value drops because of poor market performance.

**Challenge:** How can Virginia begin taking income, keep it steady in future years, and avoid market risk?

**Action:** By using a portion of her IRA to purchase Pacific Income Provider with the Life with Cash Refund option, Virginia can receive \$20,000 in annual income for the rest of her life. If she dies before receiving income payments equal to her initial purchase payment, the Life with Cash Refund option will provide a benefit to her children.





# Tailored to Suit Your Needs

## Did You Know?

Depending on the year you were born, if you start receiving Social Security at age 66, you will receive 100% of your retirement benefit. If you delay receiving benefits until after the full retirement age of 70, your monthly Social Security amount increases to 132% of your retirement benefit.

**Source:** U.S. Social Security Administration, 2010.

Selecting the right income option is an important decision. Pacific Income Provider offers optional features to tailor an income program that is right for you.

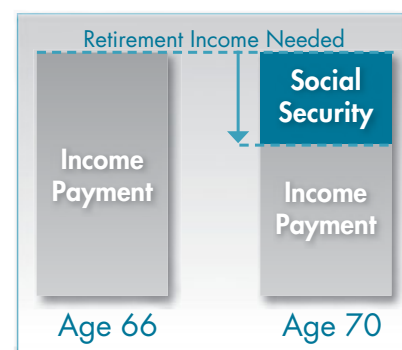
## Future Adjustment Option

This optional, one-time adjustment feature provides you with the flexibility to adjust your income payments in the future, allowing you to plan your income according to your unique needs.

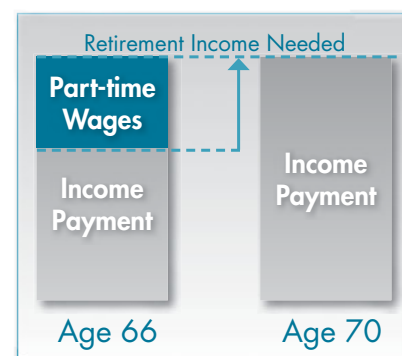
You can choose to increase or decrease your income payments to account for a future need for more or less income. The amount of your initial income payments will be adjusted based on your selection for future payments.

Below we show two scenarios in which the Future Adjustment Option may be beneficial in addressing a change in your future income.

For example, you may choose to delay taking Social Security until age 70 to maximize your benefits. You could elect the Future Adjustment Option at the time of purchase to schedule a decrease to your income payments starting at age 70.



Or maybe you have a part-time job to supplement your current income, but plan on fully retiring when you are 70. By choosing to increase your future income, you can make up the difference.



The timing of the adjustment is up to you, but you can only elect the Future Adjustment Option at the time of purchase.

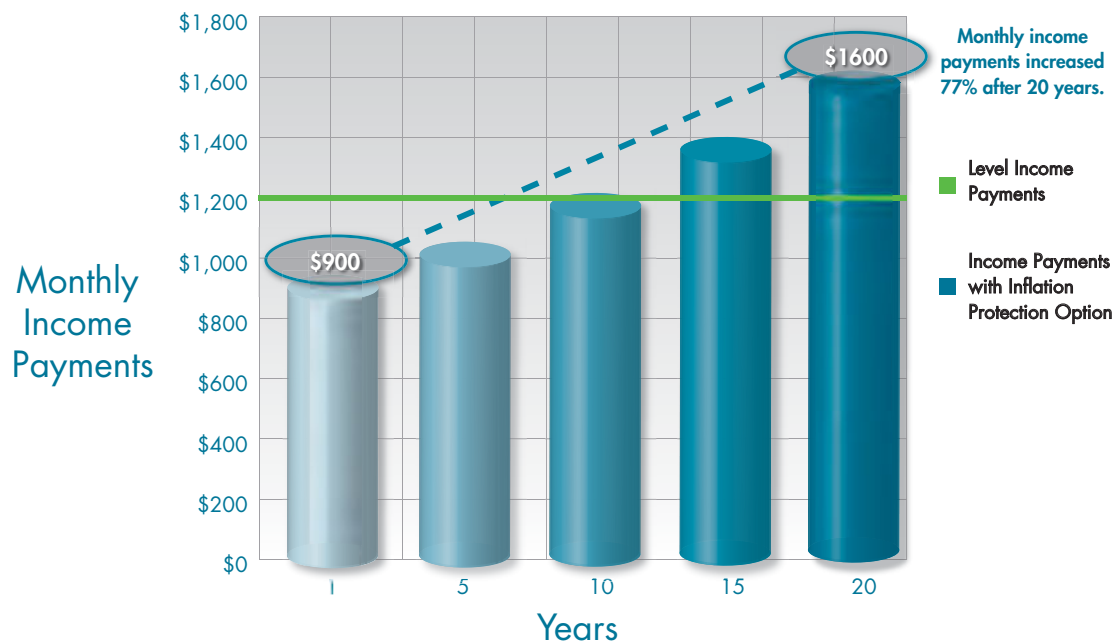


## Inflation Protection Option

Over time, the effects of inflation can erode the value of your savings and ultimately reduce your purchasing power. By electing the Inflation Protection Option, your income payments will automatically increase annually to help you during retirement—much like giving yourself an annual pay raise.

This option guarantees that your income payments will increase by 2%, 3%, or 4% each year based on your initial selection. As compared to a traditional income payment option, this additional form of protection will not provide a higher income payment initially, but will increase your income over time.

The chart below illustrates how the Inflation Protection Option with a 3% annual increase compares to level income payments over a 20-year period.



*For illustration purposes only. Based on a Life Only payment option with Pacific Income Provider.*

Keep in mind, only one optional feature may be added to your Pacific Income Provider contract. Once the contract is issued, you cannot change the elections made at the time of purchase.



# Our Focus Is on You

## Getting Started

Discuss with your financial professional whether Pacific Income Provider is appropriate for you. Consider your age, annual income, financial situation, and needs.

Whichever income option you select, you will receive a steady stream of income payments backed by the strength and protection of Pacific Life. With Pacific Income Provider, you are taking an important step in guaranteeing retirement income.

Pacific Income Provider allows you to guarantee your income immediately. With the help of your financial professional, follow these simple steps to get started:

1. Decide how much income you need and which additional features may benefit you.
2. Determine how much your purchase amount should be.
3. Purchase your single-premium, immediate fixed annuity—Pacific Income Provider.

## Ongoing Support

Pacific Life provides award-winning customer service and support to help you achieve your retirement goals.

### Website

[www.PacificLife.com](http://www.PacificLife.com) or in New York, [www.PacificLifeandAnnuity.com](http://www.PacificLifeandAnnuity.com)

Go online and select “My Account” under Annuities to view your account information.

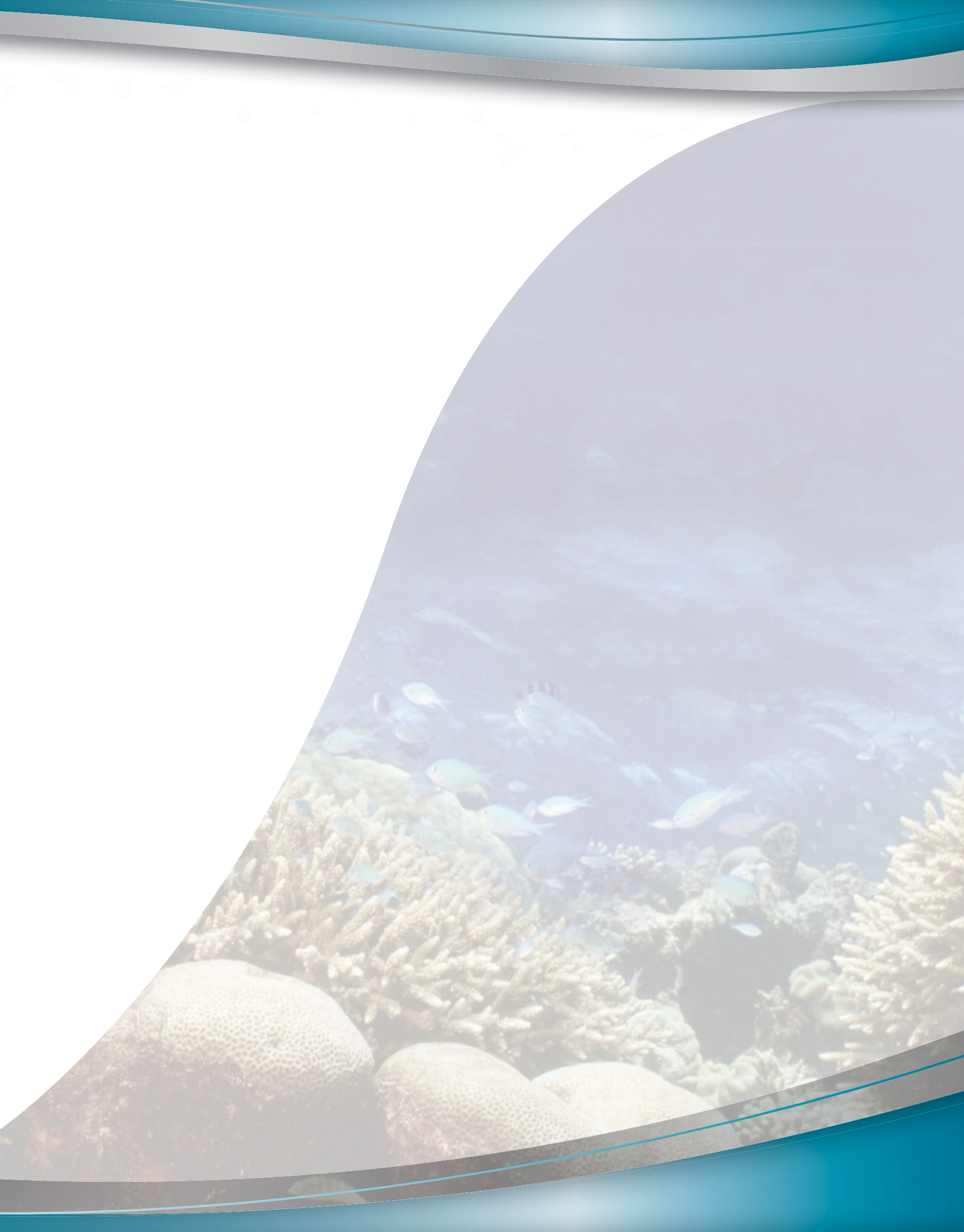
### Personal Customer Service

(800) 722-4448 or in New York, (800) 748-6907

Call our toll-free number to access account information via our automated line or to speak directly with an annuity information specialist.











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Qualified contracts, including traditional IRA, SEP-IRA, Roth IRA, inherited IRA, and inherited Roth IRA, are eligible for favorable tax treatment under IRS rules. Certain payment options may not comply with various requirements for qualified contracts, which include required minimum distributions and substantially equal periodic payments under Internal Revenue Code Section 72(t). Nonqualified contracts may not be subject to the various requirements for qualified contracts, but are still subject to a 10% federal tax penalty for annuity payments, withdrawals, and other distributions prior to age 59½. While there are exceptions to this early penalty under Section 72(q), certain payment options may not comply. Clients should consult their tax advisors and attorneys regarding their specific situations.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues. Insurance product and guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options. They are not backed by the independent third-party from which this annuity is purchased, including the broker/dealer, the insurance agency from which this annuity is purchased, or any affiliates of those entities and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Fixed annuities issued by Pacific Life are available through licensed, independent third parties.

Producer's name & firm:

State insurance license number:

Contract Form Series: 30-1181, 30-2181  
80002-11A  
Exp. 9/13