



PACIFIC LIFE

Pacific
*Secure Income*SM

A Fixed, Deferred Income Annuity as a
Qualified Longevity Annuity Contract

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.

Help Reduce Taxes and Increase Lifetime Income

In an era of increasing life spans, there is the strong possibility that you could spend as much time in retirement as you did working. That's why it's important to create a strategy that includes lifetime income with an opportunity to reduce taxes. One strategy is to establish Pacific Secure Income as a qualified longevity annuity contract (QLAC).

Lower Your Required Minimum Distributions (RMDs)

An RMD is the annual amount that IRA owners must begin taking from their retirement accounts by no later than April 1 of the year following the calendar year they reach age 70½. Assets used to purchase a deferred income annuity (DIA) specifically as a QLAC will not be included in the calculation of your RMDs until the DIA is used for income.

As a result:

- Before you start taking QLAC income, your RMDs are lower which may equate to you paying less taxes.
- RMDs from QLAC assets can be deferred up to age 85.
- By deferring income to a later age, you may receive greater lifetime income payments.
- It can help provide future income for a surviving spouse.

Only deferred income annuities that meet Treasury regulations qualify as QLAC.

Pacific Secure Income as a QLAC may not be available in all states or all firms.

How Much Can I Contribute to a QLAC?

You can allocate a portion of your qualified (pretax) retirement assets from a traditional IRA to purchase Pacific Secure Income as a QLAC. The maximum QLAC purchase payment limit is the lesser of:

- \$125,000 (applies to all applicable retirement plan assets such as 401(k), 403(b), governmental 457(b), and IRAs).
- 25% of aggregated IRA account values (including existing QLAC purchases) as of 12/31 of the prior year.

Hypothetical example: If you have two traditional IRAs valued at a total of \$400,000 as of 12/31 of the prior year, the maximum QLAC limit would be \$100,000.



Maximum QLAC = \$100,000
 $\$400,000 \times 25\% = \$100,000$,
which is less than \$125,000.

QLAC In Action

This hypothetical example compares the income and taxes of a QLAC strategy to a non-QLAC strategy.

Meet Dave

Dave is 65-years-old and has total IRA assets of \$500,000 and is in the 30% tax bracket. He does not need to take income now and is looking to pay the least amount of taxes. But, he is interested in future guaranteed lifetime income to help pay potentially higher medical expenses.

Strategy

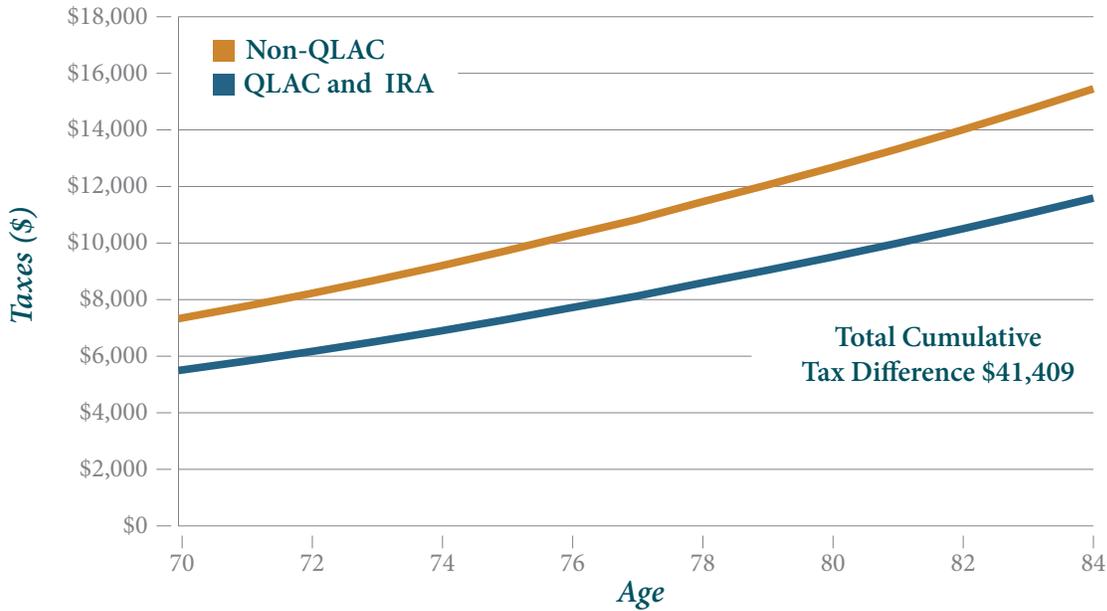
- Purchase QLAC: \$125,000 with no additional purchase payments.
- Remaining IRA assets: \$375,000 (\$500,000 – \$125,000).
- Select Single Life with Cash Refund at the QLAC maximum Annuity Payment Start Date age of 85.
- RMDs starting at age 70½ are calculated on the remaining IRA account value, which has been growing at 6% from ages 65 and onward.

Let's take a look at the benefits of a QLAC strategy...



Tax Savings from Ages 70–84

Prior to the QLAC income start date, Dave's taxes are consistently lower with the QLAC strategy. After 15 years, the total cumulative tax savings with the QLAC strategy is **\$41,409**.



Age	QLAC Strategy \$125,000 QLAC and \$375,000 IRA at 6% Growth				Non-QLAC Strategy \$500,000 IRA at 6% Growth		Annual Tax Savings \$
	RMD Income from IRA (\$)	QLAC Income (\$)	Total Income (\$)	Taxes (\$)	RMD Income from IRA (\$)	Taxes (\$)	
65–70	0	0	0	0	0	0	0
70½	18,315	0	18,315	5,495	24,420	7,326	1,831
71	19,382	0	19,382	5,815	25,843	7,753	1,938
72	20,510	0	20,510	6,153	27,347	8,204	2,051
73	21,703	0	21,703	6,511	28,937	8,681	2,170
74	22,963	0	22,963	6,889	30,617	9,185	2,296
75	24,295	0	24,295	7,288	32,393	9,718	2,430
76	25,702	0	25,702	7,710	34,269	10,281	2,571
77	27,059	0	27,059	8,118	36,079	10,824	2,706
78	28,622	0	28,622	8,586	38,162	11,449	2,863
79	30,116	0	30,116	9,035	40,154	12,046	3,011
80	31,678	0	31,678	9,503	42,237	12,671	3,168
81	33,310	0	33,310	9,993	44,413	13,324	3,331
82	35,012	0	35,012	10,504	46,683	14,005	3,501
83	36,786	0	36,786	11,036	49,048	14,715	3,679
84	38,633	0	38,633	11,590	51,510	15,453	3,863
							41,409 Total

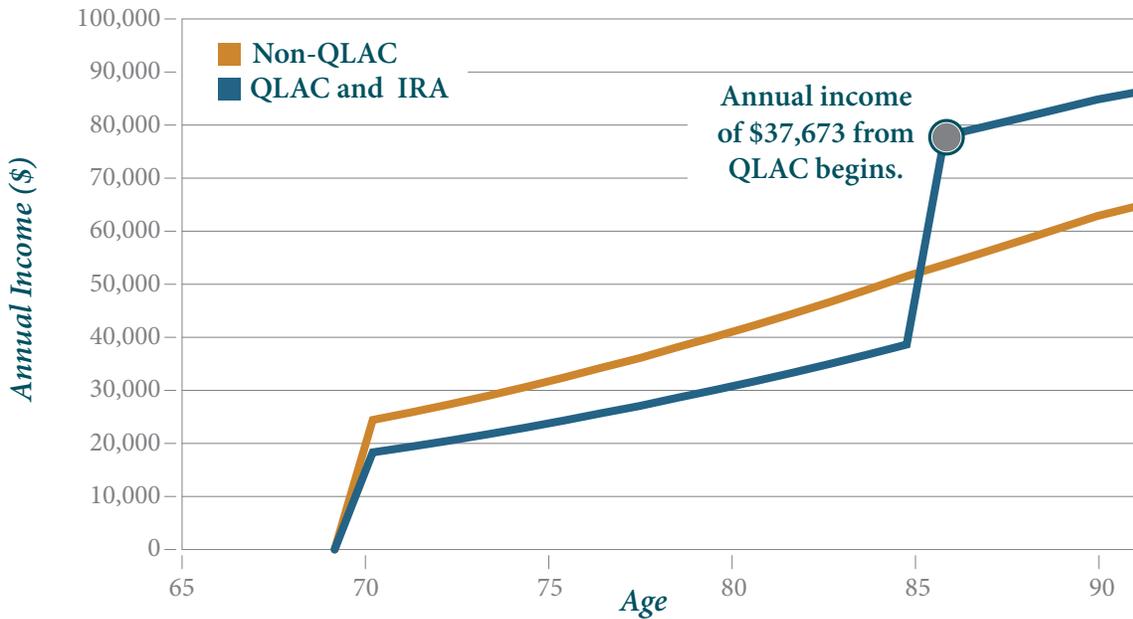
This hypothetical example assumes IRA account growth at 6% annually. For illustrative purposes only.

Contract Continues • —

More Income

starting at Age 85

At age 85, the annual income dramatically increases because the QLAC produces an additional **\$37,673**. The QLAC income will be steady and is guaranteed for life.



QLAC Strategy \$125,000 QLAC and \$375,000 IRA at 6% Growth					Non-QLAC Strategy \$500,000 IRA at 6% Growth		Annual Difference in Income \$
Age	RMD Income from IRA (\$)	QLAC Income (\$)	Total Income (\$)	Taxes (\$)	RMD Income (\$)	Taxes (\$)	
85 (QLAC Income Begins)	40,277	37,673	77,951	23,385	53,703	16,111	24,248
86	41,957	37,673	79,631	23,889	55,943	16,783	23,688
87	43,667	37,673	81,340	24,402	58,222	17,467	23,118
88	45,399	37,673	83,073	24,922	60,533	18,160	22,540
89	47,147	37,673	84,821	25,446	62,863	18,859	21,958
90	48,471	37,673	86,144	25,843	64,628	19,388	21,516
							137,068 Total

Guaranteed Income

At the time you purchase Pacific Secure Income as a QLAC, simply choose one of the following available payout options. You can choose the frequency that you receive your income payments—monthly, quarterly, semiannually, or annually to help you meet your income needs and financial goals.

Annuity Income Options (Subject to state and firm availability)

Single Life	Life Only
	Single Life Only with 100% Return of Purchase Payment(s) Death Benefit
	Single Life with Cash Refund
Joint Life (Must be Spouses)	Joint Life Only
	Joint Life Only with 100% Return of Purchase Payment(s) Death Benefit
	Joint Life with Cash Refund
Joint and Survivor Life (Must be Spouses)	Joint and Survivor Life Only
	Joint and Survivor Life Only with 100% Return of Purchase Payment(s) Death Benefit
	Joint and Survivor Life with Cash Refund

Income from annuity payments received from Pacific Secure Income cannot be aggregated or combined with income from other IRA contracts/assets for purposes of satisfying IRS required minimum distributions.

Other Important Information

■ **Liquidity limitations**

A QLAC does not allow for withdrawal from the contract or other similar benefits.

■ **Maintaining QLAC status**

If you exceed QLAC purchase payment limitations (\$125,000 or 25% of your total IRA assets, whichever is less), the excess premium must be returned by no later than the end of the calendar year following the year in which the excess premium was originally made. If the excess amount is not removed, the contract may fail to be a QLAC. It is the taxpayer's responsibility to make certain the limits are not exceeded.

Provide for Your Spouse and Heirs

While you're focused on planning for retirement, it's also important to provide for your family in the event of your death before and after your annuity income payments start.

Before Annuity Income Payments Begin

If death occurs before annuity income payments begin, a return of purchase payments death benefit applies (except for the Life Only, Joint Life Only, and Joint and Survivor Life Only annuity income options).

- **For Single Life options:** The contract is terminated at the death of the first owner or annuitant, and a return of purchase payments death benefit is paid (except for the Life Only annuity income option).
- **For Joint Life as well as the Joint and Survivor Life options:** The contract is terminated at the death of the first owner or the last annuitant, and a return of purchase payments death benefit is paid (except for the Joint Life Only and Joint and Survivor Life Only annuity income options). At the time of death, if the surviving spouse is an annuitant, the spouse can continue the contract instead of receiving the death benefit.

After Annuity Income Payments Begin

If death occurs on or after the Annuity Payment Start Date, the selected annuity income option will determine any additional payments made.

For further details, please see the *Pacific Secure Income Client Guide*.

*Talk to your financial professional today about
Pacific Secure Income as a qualified longevity annuity contract
or visit our website at www.PacificLife.com.*





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Qualified contracts, including traditional IRAs, Roth IRAs, and QLACs are eligible for favorable tax treatment under the Internal Revenue Code (IRC). Certain payout options and certain product features may not comply with various requirements for qualified contracts, which include required minimum distributions and substantially equal periodic payments under IRC Section 72(t). Therefore, certain product features, including the ability to change the annuity payment start date and exercise withdrawal features, may not be available or may have additional restrictions. The payment acceleration feature is available but may be considered a modification to the 72(t) program and may subject the series of 72(t) withdrawals, including any prior withdrawals, to an additional 10% federal tax. In addition, certain payout options may not be available for qualified contracts or QLAC.

Pacific Secure Income can be used as a qualified longevity annuity contract (QLAC), subject to state and firm availability. In order for the contract to be eligible as a QLAC, certain requirements under Treasury Regulations must be met, including limits on the total amount of purchase payments that can be made to the contract. Compliance with the QLAC purchase payments limit is the owner's responsibility, and failure to adhere may result in the contract no longer being considered a QLAC, and would subject the value of the QLAC to required minimum distribution requirements that may not be accessible through the contract. In addition, there are restrictions on annuity payout options that can be elected under a QLAC contract, and the commutation, payment acceleration, and inflation protection features are not available. Changes to marital status may require a change to the annuity payout options and/or payments in order to maintain the QLAC status.

For Roth IRAs, upon the Roth IRA owner's death, distributions to the designated beneficiaries may be subject to the required minimum distribution rules. If the designated beneficiary is not the spouse, the beneficiary may be required to take a lump-sum payment of the present value of the guaranteed payments if a death benefit becomes available. For the purpose of qualified distributions from a Roth IRA, since the five-year waiting period is tracked by the Roth IRA holder, the designated beneficiary and/or spouse who elects to treat the Roth IRA as his or her own will also need to take on this responsibility going forward when claiming qualified distributions.

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 crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company. 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 (Newport Beach, CA) are available through licensed, independent third parties.

Contract Form Series: 30-1294, 30-1294NJ, 30-2294, ICC14:30-1308, 30-1305NJ, 30-2305
Endorsement Series: 15-1400, ICC15:15-1400, 15-2400

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