

Annuity Income Options

To maintain your desired lifestyle during retirement, you need to ensure you'll always have income, no matter how long you live. After the first year of purchasing a Pacific Life variable annuity, you can elect to convert your annuity account value into a series of income payments, also known as annuitization.

- **Full annuitization** allows you to convert your account value into fixed income or variable income that is guaranteed to last for your lifetime, the lives of you and another individual, or a specified period.
- **Partial annuitization** allows you to convert a portion of your account value into fixed income or variable income that is guaranteed to last your lifetime, the lives of you and another individual, or a specified period. For contracts owned by individuals, the remaining portion will continue to provide tax-deferred growth potential. In addition, you can elect to partially annuitize your contract more than once during the life of the contract.

TAX-FACT

If you purchased the contract with after-tax (nonqualified) assets, the income you receive through annuitization may have some tax advantages. A portion of each payment is composed of two parts: one is the earned interest, which is taxable, and the other is a partial return of your original purchase payment, which is nontaxable. This means the tax liability for the contract earnings is spread out over time.

When it comes to receiving income through annuitization, you have several options:

Life Only

Protected income you can't outlive.

Periodic income payments for life are guaranteed.

Life with Period Certain¹

Protected income you can't outlive with beneficiary protection.

Periodic income payments will be made for life and guaranteed for 5 to 30 years (period certain). If you pass away before the end of the period, your beneficiaries will receive income payments for the remaining guaranteed period. If you live longer than the period certain, you will continue to receive income for life. If you pass away after all the guaranteed annuity payments under the period certain have been paid, no further annuity payments will be paid.

Joint and Survivor Life

Income you and another person can't outlive.

Periodic income payments are guaranteed over your lifetime (as the primary annuitant) and the lifetime of another person (as the secondary annuitant, who need not be a spouse).

Period Certain Only¹

Protected income over time.

Periodic income payments will be made over a specific period, from 5 to 30 years.

If you choose to annuitize your contract, you cannot switch payout options, and your decision to begin income is irrevocable.

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company and do not protect the value of the variable investment options, which are subject to market risk.

**No bank guarantee • Not a deposit • May lose value • Not FDIC/NCUA insured
Not insured by any federal government agency**



Optional Living Benefits

Instead of annuitization, you have the option to elect an optional living benefit, available for an additional cost, that ensures you remain in control of your investment and offers protected income for life. Ask your financial professional for more information on optional living benefits to determine which option is best for you.

**For more information on annuity income options,
please speak with your financial professional or visit
PacificLife.com**

¹Due to changes made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act to required minimum distributions (RMDs) for qualified contracts, beneficiaries who continue to receive Period Certain payments over a period longer than 10 years may not comply with the RMD rules.

A variable annuity is a long-term contract between you and an insurance company that helps you grow, protect, and manage retirement savings in a tax-advantaged way.

Pacific Life, its distributors, and respective representatives do not provide tax, accounting, or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.

You should carefully consider a variable annuity's risks, charges, limitations, and expenses, as well as the risks, charges, expenses, and investment goals of the underlying investment options. This and other information about Pacific Life are provided in the product and underlying fund prospectuses. These prospectuses are available from your financial professional or at PacificLife.com. Read them carefully before investing.

Annuity withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal income tax may apply. A withdrawal charge and a market value adjustment (MVA) also may apply. Withdrawals will reduce the contract value and the value of the death benefit, and also may reduce the value of any optional benefits.

Under current law, a nonqualified annuity that is owned by an individual is generally entitled to tax deferral. IRAs and qualified plans—such as 401(k)s and 403(b)s—are already tax deferred. Therefore, a deferred annuity should be used only to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral. These features include lifetime income, death benefit options, and the ability to transfer among investment options without sales or withdrawal charges.

Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product/material availability and features may vary by state.

Insurance product and rider 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 and do not protect the value of the variable investment options. They are not backed by the broker-dealer from which this annuity is purchased, by 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.

Variable insurance products are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company.

The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

Contract form series: 10-1040, 10-17800, ICC20:10-1040

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