Pacific Income Advantage™
with a Guaranteed Withdrawal Benefit

A Deferred Fixed Annuity
for Secure Retirement Income
Why Pacific Life

Pacific Life has more than 145 years of experience, and we remain committed to providing quality products, service, and stability to meet your needs today and throughout your lifetime.

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.

It’s essential for you to choose a strong and stable company that can help you achieve your future income needs.

- 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\(^1\) 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.

While ratings can be objective indicators of an insurance company’s financial strength and can provide a relative measure to help select among insurance companies, they are not guarantees of the future financial strength and/or claims-paying ability of a company.

\(^1\)Recipient of multiple DALBAR Service Awards since 1997. Refer to www.DALBAR.com for more information regarding awards, certification, and rankings.
As you plan your retirement strategy, it is important to determine how you will help protect and grow your assets as well as generate lifetime income.

Pacific Income Advantage is a deferred fixed annuity with a built-in Guaranteed Withdrawal Benefit. It offers:

- Tax deferral
- Guaranteed growth without being invested in the market
- A choice of guaranteed interest-rate terms
- Guaranteed lifetime income
- Access to your money
- Beneficiary protection

Guarantees, including interest rates and subsequent income payments, are backed by the claims-paying ability and financial strength of the issuing insurance company.

**Contents**

<table>
<thead>
<tr>
<th>The Power of Tax Deferral</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Interest-Rate Terms</td>
<td>3</td>
</tr>
<tr>
<td>Lifetime Income</td>
<td>4</td>
</tr>
<tr>
<td>Increase Your Lifetime Income with a 6% Annual Credit</td>
<td>5</td>
</tr>
<tr>
<td>Making the Most of the Guaranteed Withdrawal Benefit</td>
<td>6</td>
</tr>
<tr>
<td>Access to Your Money</td>
<td>8</td>
</tr>
<tr>
<td>Guaranteed Payout Options through Annuitization</td>
<td>10</td>
</tr>
<tr>
<td>Help Provide for Your Spouse and Heirs</td>
<td>11</td>
</tr>
<tr>
<td>Our Focus Is on You</td>
<td>12</td>
</tr>
</tbody>
</table>
The Power of Tax Deferral

Whether you purchase your annuity with after-tax (nonqualified) or pretax (qualified) dollars, you have the benefit of tax-deferred compounding.

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 include lifetime income and death benefit options.

Because an annuity is tax-deferred for individuals, interest will compound without current income tax. Your assets grow faster because you don’t pay taxes on the interest earned until you actually withdraw it or until it is distributed to you.

The hypothetical chart below illustrates how tax deferral works.

Assumptions:
- $100,000 initial purchase payment
- Earns 3% per year
- Taxed at 28% ordinary income-tax rate

See what happens when the $100,000 grows taxed versus tax-deferred over a period of 20 years:

<table>
<thead>
<tr>
<th>Pretax Tax-Deferred Options</th>
<th>After-Tax</th>
<th>Taxable Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$180,611</td>
<td>$158,040</td>
<td>$153,327</td>
</tr>
</tbody>
</table>

If the full amount is withdrawn after 20 years and taxes are paid on the lump-sum distribution, the amount would be $158,040—more than the $153,327 accumulated in a taxable investment over the same time frame.

Assumes a 28 % ordinary income-tax rate, assessed yearly on the taxable investment and at period-end on the tax-deferred example. Actual tax rates may vary for different taxpayers and assets from that illustrated (for example, capital gains and qualified dividend income). Interest rates and investment performance will vary. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the examples shown. Consider your personal investment time horizon and income tax brackets, both current and anticipated, when making an investment decision. Hypothetical returns are not guaranteed and do not represent performance of any particular investment. If product charges were included (withdrawal charges and other contract charges), the tax-deferred performance would be significantly lower.
Guaranteed Interest-Rate Terms

Choose from Available Guaranteed Terms

You may choose one of the guaranteed terms available with Pacific Income Advantage. Your interest rate will be locked in for the period you choose, providing guaranteed growth of your purchase payment.

At the end of your guaranteed term, you may elect one of the following options:

- Renew the same guaranteed term, or transfer to another available guaranteed term at the current guaranteed interest rate. The renewal rate will never be lower than the minimum guaranteed interest rate stated in your contract.
- Withdraw the full or a partial amount.

You will have 30 days after the end of the guaranteed period to make an election, and no market value adjustment (MVA) will apply during this time. See page 8 for more information about MVAs.

If no election is made, the contract value will automatically renew into the same guaranteed term, with two exceptions:

- Availability: If the current guaranteed term is not available, the contract value will automatically transfer into the shortest guaranteed term available.
- Annuity date: If the same guaranteed term would extend past the youngest annuitant’s 95th birthday, the contract value will automatically transfer into the next shortest term that does not extend beyond that date.
Lifetime Income

Guaranteed Withdrawal Benefit

With Pacific Income Advantage, you receive growth of your account value through the guaranteed interest rate. In addition, it offers a built-in Guaranteed Withdrawal Benefit, which provides:

- **Opportunities to increase your retirement income payments.**
- **Guaranteed lifetime withdrawals beginning at age 59½.**
- **Lifetime income guaranteed for both you and your spouse*.**

How it Works

The Guaranteed Withdrawal Benefit allows you to begin lifetime withdrawals from your contract anytime on or after age 59½. The maximum amount you can withdraw each year will be based on:

- Your age when you take your first withdrawal.
- Whether you elect the Single Life or Joint Life option at issue.
- The amount of your Protected Payment Base.

The current annual charge for both the Single Life and Joint Life options for the Guaranteed Withdrawal Benefit is 0.75% of the contract value (up to a maximum charge of 0.95%). The charge is deducted from the contract value on each contract anniversary.

Protected Payment Base

The Protected Payment Base is the amount used to determine your Lifetime Annual Withdrawal Amount (referred to as protected payment amount in the contract). When you purchase Pacific Income Advantage, your Protected Payment Base is equal to all purchase payments received in the first 60 days after contract issue.

*A spouse is considered a married partner. In some states that can also include a domestic partner or civil union partner.
Increase Your Lifetime Income with a 6% Annual Credit

To help maximize your retirement income, the Guaranteed Withdrawal Benefit offers an annual credit equal to 6% of your Protected Payment Base each year you defer withdrawals for up to 10 years. The 6% Annual Credit increases your Protected Payment Base, but it is not added to your contract value and is not a rate of return.

**How the Credit Works**

This hypothetical example demonstrates how the 6% Annual Credit increases the Lifetime Annual Withdrawal Amount you may receive.

**Assumptions**
- A $100,000 purchase payment
- No withdrawals prior to age 59½
- No withdrawals made in the first 10 years after contract issue
- Annual credit of $6,000 ($100,000 x 6%)

<table>
<thead>
<tr>
<th>Contract Anniversary</th>
<th>Protected Payment Base with 6% Annual Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$100,000</td>
</tr>
<tr>
<td>1</td>
<td>$106,000</td>
</tr>
<tr>
<td>2</td>
<td>$112,000</td>
</tr>
<tr>
<td>3</td>
<td>$118,000</td>
</tr>
<tr>
<td>4</td>
<td>$124,000</td>
</tr>
<tr>
<td>5</td>
<td>$130,000</td>
</tr>
<tr>
<td>6</td>
<td>$136,000</td>
</tr>
<tr>
<td>7</td>
<td>$142,000</td>
</tr>
<tr>
<td>8</td>
<td>$148,000</td>
</tr>
<tr>
<td>9</td>
<td>$154,000</td>
</tr>
<tr>
<td>10</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

**Annual income payment you can receive after 10 years.**

After you begin withdrawals on or after age 59½, a reset is required to receive a higher Lifetime Annual Withdrawal Percentage when a higher age band is reached.
Making the Most of the Guaranteed Withdrawal Benefit

The longer you can delay taking withdrawals, the more potential retirement income you can receive. Another opportunity to increase your Lifetime Annual Withdrawal Amount is through a reset. Please keep the following information in mind regarding withdrawals and resets.

Withdrawals

- Any withdrawals, including a required minimum distribution (RMD), will end the 6% Annual Credit. However, if a reset occurs, the Annual Credit will resume and start a new 10-year period.

- If you withdraw more than the allowable amount annually, both your future Lifetime Annual Withdrawal Amount and the Protected Payment Base will be reduced proportionally based on the amount withdrawn in excess of the Protected Payment Base. If the contract value is reduced to zero, the contract and benefit may be terminated.

- If you decide to convert your contract to annuity income payments, the Guaranteed Withdrawal Benefit will end.

---

### Taking Lifetime Withdrawals

<table>
<thead>
<tr>
<th>Age at First Withdrawal (On or After Age 59½)</th>
<th>Lifetime Annual Withdrawal Percentage (Percentage of Protected Payment Base)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single Life</td>
</tr>
<tr>
<td>59½–64</td>
<td>5.00%</td>
</tr>
<tr>
<td>65–69</td>
<td>5.50%</td>
</tr>
<tr>
<td>70–79</td>
<td>6.00%</td>
</tr>
<tr>
<td>80 and older</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

Withdrawals under the Guaranteed Withdrawal Benefit are not annuity payouts. Annuity payouts generally receive a more favorable tax treatment than other withdrawals. Withdrawals under the Guaranteed Withdrawal Benefit received prior to converting the contract to annuity payouts are treated as withdrawals and may be subject to taxes, and if prior to age 59½, an additional 10% federal tax. A withdrawal charge and a market value adjustment (MVA) also may apply to withdrawal amounts exceeding the Lifetime Annual Withdrawal Amount.
Resets
Resets may occur either automatically or at your request.

- **Automatic reset:** On any contract anniversary, if your contract value is higher than your Protected Payment Base, the Protected Payment Base will automatically increase to equal the contract value, and a new Annual Credit 10-year period will start. You will be subject to the charge in effect at the time of the reset. You may cancel future automatic resets by notifying Pacific Life within 60 days of a contract anniversary.

- **Owner-elected:** You may also elect a reset whether your contract value is higher or lower than your Protected Payment Base. A reset will start a new Annual Credit 10-year period, and if you are in a higher age band when you elect the reset, you will receive the larger Lifetime Annual Withdrawal Percentage and may be able to increase your Lifetime Annual Withdrawal Amount. However, if you choose a reset when the contract value is lower, there will be a reduction in the Protected Payment Base, so you are strongly advised to speak with your financial professional prior to selecting an owner-elected reset.

Ownership and Marital Status Considerations

- If you elect the Single Life option and the owner or sole annuitant dies, the Guaranteed Withdrawal Benefit terminates. The owner and annuitant must be the same person (except for non-natural owners). Joint owners are not permitted.

- If you elect the Joint Life option, the youngest spouse’s age is used to determine the Lifetime Annual Withdrawal Percentage. Joint owners must be spouses or a single owner with the spouse as the sole primary beneficiary. The surviving spouse must continue the contract to receive lifetime benefits. The Guaranteed Withdrawal Benefit terminates at the death of both spouses.

- Changes in marital status or the beneficiary may adversely affect the benefits under the Joint Life option.

- A change in ownership may terminate the benefit. It’s best to consult your financial professional before making any changes to ownership or beneficiary provisions.

*At the maximum annuity date (the Annuity Start Date in California), if you choose a Life Only fixed annuity payout option (or Joint Life Only fixed annuity payout option if you have the Joint Life option), you will receive the greater of a payment based on your contract value, your surrender value, or your Lifetime Annual Withdrawal Amount as an annuity payment.*

*Pacific Life reserves the right to modify or eliminate the treatment of RMD withdrawals if there is any change to the Internal Revenue Code or Internal Revenue Service rules relating to RMDs.*
Access to Your Money

Because you can never predict the future, it’s comforting to have the ability to access your money when you need it. Withdrawals may begin as soon as 30 days after contract issue and are available through:

- Systematic withdrawals: Withdraw at least $500 either monthly, quarterly, semiannually, or annually.
- Partial withdrawals: Withdraw $500 or more at any time.

Withdrawal charges apply for seven years, or for the length of the initial guaranteed term if it is shorter than seven years.

**Withdrawal charges apply only during the initial guaranteed term:**

<table>
<thead>
<tr>
<th>Current year of the initial guaranteed term:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge per withdrawal:</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

When a guaranteed term matures, you may renew the same guaranteed term, if available, or transfer to an available guaranteed term. Withdrawal charges will not apply at the renewal of a guaranteed term.

**Market Value Adjustments**

A market value adjustment (MVA) is based on a formula designed to respond to interest-rate movements. It adjusts any withdrawals or contract values annuitized that are:

- In excess of the withdrawals without charges as described on the next page.
- Made before the end of a guaranteed term.

In general, if interest rates have fallen since the beginning of a guaranteed term, a market value adjustment (MVA) may increase the withdrawal. If interest rates have stayed the same or increased, the MVA may reduce the withdrawal. The MVA amount will not exceed (either positive or negative) the interest earned that is in excess of the minimum guaranteed interest rate per year during the applicable guaranteed term.

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 tax may apply. A withdrawal charge and a market value adjustment (MVA) also may apply. Withdrawals will reduce the value of the death benefit, the surrender value and may reduce the value of any guaranteed withdrawal benefits.
Withdrawals without Charges

You may withdraw amounts up to 10% of your purchase payments in the first contract year and 10% of your contract value annually (based on your latest contract anniversary) without a withdrawal charge or market value adjustment (MVA).

Additionally, you may take withdrawals without a withdrawal charge or MVA for the following reasons:

- Required minimum distribution (RMD) withdrawals (only if calculated by Pacific Life)
- Withdrawals after the first contract year if the owner or annuitant is diagnosed with a terminal illness and a life expectancy of 12 months or fewer. Not available in California.
- Withdrawals after the first contract year if the owner or annuitant has been confined to an accredited nursing home for 30 days or more and the confinement began after your contract was issued. Not available in California.
- Death benefit proceeds
- Annuity income payments (available after first contract year, except in California; an MVA may apply)
- Withdrawals up to the Lifetime Annual Withdrawal Amount under the Guaranteed Withdrawal Benefit. If the withdrawal without charge exceeds the Lifetime Annual Withdrawal Amount, you may decrease your Protected Payment Base and future Lifetime Annual Withdrawal Amounts.
- Surrenders or annuitization on the maximum annuitization date (the youngest annuitant’s 95th birthday). In California, annuitization is only available on the Annuity Start Date at age 95.
Guaranteed Payout Options through Annuitization

After your first contract anniversary (or in California, at the Annuity Start Date), another way to receive lifetime income from Pacific Income Advantage is to annuitize your contract and set up annuity payments for life, or for a specific period of time. Upon annuitization, lifetime annual withdrawals under the Guaranteed Withdrawal Benefit will terminate. Also, after you convert your contract to an annuity income stream, you cannot change payout options. Amounts will differ based on the payout option and period selected. Usually, the longer the payout period, the lower the periodic payment amount. Be sure to consult with your financial professional before annuitization.

Two decisions you need to make when annuitizing your contract:

1. How often do you want to be paid?
   - Monthly
   - Quarterly
   - Semiannually
   - Annually

2. How long do you want to receive income?
   - **Life Only**—Periodic payments for life are guaranteed.
   - **Life with Period Certain**—Periodic payments for the longer of (1) your life or (2) a minimum time period of your choosing (from 5 to 30 years). If you die before the end of the minimum time period, your beneficiary will receive the remaining payments.
   - **Joint and Survivor Life**—Periodic payments guaranteed over your lifetime (as the primary annuitant) and the lifetime of another person (as the secondary annuitant).
   - **Period Certain**—Periodic payments over a specific period you choose, up to 30 years. If you die before the end of the period, your beneficiary will receive the remaining income.

Tax Advantages

When you begin taking annuity income payments under one of the payout options listed above, each payment is composed of money that you’ve paid into the annuity plus any interest. For qualified contracts, taxes will generally be due on the entire payment. For nonqualified contracts, taxes will be due only on the interest portion. A formula unique to annuities determines the nontaxable portion of each payment until all the money you put into the contract has been taken out. Because of the formula, nonqualified income payments are tax-advantaged—which means that your tax liability is spread out over time. The actual tax impact will depend on the payout option, term, and age at which the payout option is selected, so be sure to consult with a tax advisor prior to annuitization.
Help Provide for Your Spouse and Heirs

While you’re probably focusing on how to enjoy your retirement savings, it’s important to think ahead and plan how to provide for your loved ones if you were to die unexpectedly. Pacific Income Advantage offers built-in protection and a commitment to customer service that will be there for your family when they need it most.

For Your Spouse

To provide for your spouse, you may elect the Joint Life option of the Guaranteed Withdrawal Benefit. That way, if the owner/annuitant dies, the spouse can continue the contract and receive the Lifetime Annual Withdrawal Amount.

For Your Heirs

If death occurs before you start to take annuity income payments, Pacific Income Advantage can provide for your heirs. The value of the contract will pass directly to your designated beneficiaries, and they may avoid the delays and costs of probate.

Who’s Who in an Annuity

Owner

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

Beneficiary

If the owner or annuitant dies before annuity payments begin, usually, the beneficiary is the one who may have the right to receive the death benefit.

There may be one or more owners, annuitants, and beneficiaries.
Our Focus Is on You

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

Website

www.PacificLife.com

Go online and select “Annuities” under the heading “Client Account Sign-In” to view your account balance or make other transactions. View your statements and other documents online at any time.

Personal Customer Service

(800) 722-4448

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

Discuss with your Edward Jones financial advisor whether Pacific Income Advantage is appropriate for you as part of your overall retirement strategy.
Fixed annuities are long-term contracts designed for retirement.

Pacific Income Advantage is not available in New York.

This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state, or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Pacific Life, its affiliates, their 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.

No guaranteed rate will be less than the minimum guaranteed rate stated in the contract. Pacific Life determines, at its discretion, annual interest rates in excess of the stated minimum guarantee in the contract. All initial guaranteed periods/terms may not be available at all times or in all states.

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.

Fixed annuities issued by Pacific Life (Newport Beach, CA) are available through licensed, independent third parties.

Mailing address:
Pacific Life Insurance Company
P.O. Box 2378
Omaha, NE 68103-2378
(800) 722-4448
www.PacificLife.com