



# PACIFIC SECURE INCOME®

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

### What is a fixed, deferred income annuity (DIA)?

A fixed, deferred income annuity (DIA) is a long-term contract designed for retirement that can generate guaranteed income for life that begins on a future date chosen by you, the contract owner. It can be purchased with one or multiple purchase payments. Purchase payments can be made regularly or intermittently at any time from contract issue until 13 months prior to the date when annuity income payments begin, which is called the Annuity Payment Start Date.

### What is a qualified longevity annuity contract (QLAC)?

A QLAC is a DIA that is funded with qualified pretax retirement assets and can start payments later than age 73 or 75 (required minimum distribution (RMD) age in years 2023 and 2033, respectively) but no later than age 85.

Before QLACs became available, IRA assets used to purchase a DIA were included in the calculation of RMD amounts, which meant you had to start taking income from the DIA when your RMD was required to begin, even if you didn't need the income and wanted to continue to defer income payments.

### Why was a QLAC created?

On July 1, 2014, the IRS released the final regulations for QLACs. The main goal of the guidance is to provide you more options to manage retirement income by making DIAs more accessible to retirement plans (i.e., IRAs) so that you don't outlive your retirement assets.<sup>1</sup>

### How does a QLAC impact the RMD amount?

An RMD is the amount that owners of traditional IRAs, SIMPLE IRAs, SEP-IRAs, and qualified plan participants generally must begin distributing from their retirement accounts by the required beginning date (that is, April 1 following the year they reach their RMD age).

The QLAC regulations state that assets in a fixed DIA specifically designated as a QLAC will not be included in the calculation of RMDs. This means that payments can be deferred beyond the required beginning date up to age 85, and in your earlier years, the RMDs will be smaller and may result in lower taxes.

### How does a QLAC help protect against outliving retirement assets?

Income payments from a DIA specifically designated as a QLAC can be deferred up to age 85 and are guaranteed for life. The longer QLAC income payments are deferred, the greater they will be.

### What is the maximum purchase payment limit for a Pacific Secure Income QLAC?

As of 2025, the maximum QLAC purchase payment limit for contracts issued (or exchanged) in 2025 or later is \$210,000 (indexed for inflation).

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

<sup>1</sup>U.S. Department of the Treasury. "Internal Revenue Bulletin: 2014-30 (TD9673)." IRS.gov, July 21, 2014. Last accessed January 30, 2025.

Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material availability and features may vary by state..

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

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<b>What qualified retirement plan assets can be used to purchase a QLAC?</b>	You can allocate a portion of your qualified assets from an IRA (including SEP-IRAs and SIMPLE IRAs), 401(k), 403(b), and governmental 457(b) to purchase a QLAC. Roth IRAs and defined benefit plans are excluded. Currently, the Pacific Secure Income QLAC can accept only IRA assets.
<b>What is the maximum age I must start taking income from a QLAC?</b>	Age 85
<b>What annuity income options are available with Pacific Secure Income as a QLAC?</b>	<p>The annuity income options are:</p> <ul style="list-style-type: none"> <li>• Single Life, Joint Life, and Joint and Survivor Life Only.</li> <li>• Single Life, Joint Life, and Joint and Survivor Life with Cash Refund.</li> <li>• Single Life, Joint Life, and Joint and Survivor Life<sup>1</sup> with 100% Return of Purchase Payments.</li> </ul> <p>With Pacific Secure Income, only spouses are permitted to elect the Joint Life options and must be named joint annuitants.</p>
<b>Does a QLAC offer any liquidity?</b>	A QLAC does not currently allow for withdrawal from the contract or other similar benefits such as payment acceleration or commutation. The proposed regulations for the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 would, however, allow for commutation, but only prior to the owner's required beginning date (RBD) for IRA RMDs, which is prior to the QLAC annuity start date. Final guidance is still pending from the Treasury.
<b>What beneficiary benefit options are available?</b>	<p>If death occurs <b>before</b> annuity income payments begin, your surviving spouse or beneficiaries will receive an amount equal to 100% of your purchase payments. This is called a return of purchase payments death benefit. It is available only with the Life with 100% Return of Purchase Payments and Life with Cash Refund annuity income options.</p> <ul style="list-style-type: none"> <li>• For Single Life options: The contract is terminated at the death of the owner, and a return of purchase payments death benefit is paid (except for the Life Only annuity income option).</li> <li>• 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, since the surviving spouse is an annuitant, the spouse can continue the contract instead of receiving the beneficiary benefit.</li> </ul> <p>If death occurs <b>on or after</b> the Annuity Payment Start Date, the selected annuity income option will determine any additional payments made. Beneficiary benefits are not available with any Life Only annuity income options.</p> <p>A beneficiary benefit is referred to as a death benefit in the contract summary.</p>
<b>Can the beneficiary roll over or transfer the return of purchase payments death benefit?</b>	Yes. The return of purchase payments death benefit can be rolled to a surviving spouse beneficiary's own IRA or transferred by a non-spousal beneficiary to an inherited IRA. This may occur only if the annuitant's death occurs before the required beginning date, before April 1 of the year following attainment of RMD age. If the annuitant's death occurs after the required beginning date, then the return of purchase payments death benefit will be treated as an RMD, and therefore is not eligible for spousal rollover or the establishment of an inherited IRA.

<sup>1</sup>A Joint and Survivor annuity income option is generally only available for a married couple, however, a divorce during the deferral period will not require a change if the qualified domestic relations order or divorce decree meets certain requirements.

Talk to your financial professional today about  
Pacific Secure Income as a qualified longevity annuity contract,  
or visit our website at [PacificLife.com](http://PacificLife.com).

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In order to sell this product, a financial professional must be a properly licensed and appointed life insurance producer.

A fixed annuity is not a security and does not participate directly in the stock market or any index, so it is not an investment.

Pacific Secure Income as a qualified longevity annuity contract may not be available in all states or at all firms. For further details, please see the *Pacific Secure Income Client Guide, fact sheet, and contract summary*. Pacific Secure Income is not available in California, Illinois, North Carolina, Oregon, Pennsylvania, or Texas.

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.

*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.*

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. Therefore, certain product features, including the ability to change the Annuity Payment Start Date, accelerate payments, and to exercise withdrawal features or income options, may not be available or may have additional restrictions.

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 income options that can be elected under a QLAC contract, and the commutation, payment acceleration, and inflation protection features are not available.

Contracts may be subject to an additional 10% federal income tax for annuity payments, withdrawals, and other distributions prior to age 59½. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income.

Pacific Life refers to Pacific Life Insurance Company and its subsidiary Pacific Life & Annuity Company. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material 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 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. They are not backed by the independent third party from which this annuity is purchased, including the broker/dealer, 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.

The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona. The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

Contract Form Series: 30-1294, 30-1294MO, 30-1305NJ

Endorsement: ICCI5:15-1400

State variations to contract form series and endorsements may apply.

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