



# PACIFIC LIFE

## UNCOVER WAYS TO MAXIMIZE SAVINGS

Checklist: An Annual Review of IRS Tax Form 1040

Scheduling an annual review of IRS Tax Form 1040 with your financial and tax professionals is an opportunity to confirm that your retirement strategy is still on target. By taking a closer look, your 1040 form also may identify tax savings that were missed and planning opportunities that you might not be taking advantage of.

### Consider these questions as you review the form:

- Do I need to grow my retirement savings faster?
- How can I convert current assets into guaranteed lifetime income?
- Is there an opportunity to create a financial legacy for my heirs?
- Could I benefit from moving some of my assets invested in tax-inefficient strategies into tax-efficient ones?

If you decide that you need to focus on one or more of these areas, a deferred annuity could play an important role in your long-term retirement strategy.

Form **1040** Department of the Treasury—Internal Revenue Service **2024** OMB No. 1545-0047

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning \_\_\_\_\_, 2024, ending \_\_\_\_\_

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_

If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. \_\_\_\_\_ State \_\_\_\_\_

City, town, or post office. If you have a foreign address, also complete spaces below. \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_

Foreign country name \_\_\_\_\_

**Status** ☐ Single ☐ Married filing jointly (even if only one had income) ☐ Head of household

☐ Filing separately (MFS) ☐ Qualifying widow(er) with dependent child

If you checked the "Married filing jointly" box, enter the name of your spouse. If you checked the "Filing separately (MFS)" box, enter the name of your dependent: \_\_\_\_\_

If you checked the "Head of household" box, enter the name of your dependent: \_\_\_\_\_

If you checked the "Qualifying widow(er) with dependent child" box, enter the name of your dependent: \_\_\_\_\_

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.

# Tax-Planning Opportunities Using This Form 1040 Overlay

Form

1040

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return

2024

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning \_\_\_\_\_, 2024, ending \_\_\_\_\_, 20\_\_\_\_

See separate instructions.

Your first name and middle initial

Last name

Your social security number

If joint return, spouse's first name and middle initial

Last name

Spouse's social security number

Home address (number and street)

Home address—Has your home address changed since last year?  
Did you move to a larger home or downsize? Has your state changed?

Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below.

State

ZIP code

Foreign country name

Foreign province/state/county

Foreign postal code

Presidential Election Campaign  
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
☐ You ☐ Spouse

Filing Status

☐ Single  
☐ Married filing jointly (even if only one had income)  
☐ Married  
☐ Head of household (HOH)  
☐ Qualifying surviving spouse (QSS)

Check only one box.

Filing Status—Determines the rate at which income is taxed.  
Has there been a change? Review the tax brackets to manage income.

If you check the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:  
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets

At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  
☐ Yes ☐ No

Standard Deduction

Someone can claim you as a dependent.  
☐ Spouse itemizes.

Dependents—Do you have minor children?  
Are you supporting relatives with special needs or parents?

Age/Blindness

You: ☐ Were born before January 2, 1960 ☐ Are blind  
Spouse: ☐ Was born before January 2, 1960 ☐ Is blind

Dependents

If more than four dependents, see instructions and check here ☐

Line 1 Wages, salaries etc.—Have you developed your strategy to replace the income on Line 1 in retirement? Consider how different sources provide income and will be taxed.  
High-income earners may be impacted by the Net Investment Income Tax (NIIT).  
Are you taking maximum advantage of pretax deferrals like 401(k) contributions?

Line 2 Interest—Tax-exempt interest is not subject to tax itself but will be added back to your modified adjusted gross income (MAGI) for taxation of Social Security benefits and determination of the income-related monthly adjustment amount (IRMAA) for Medicare premiums.  
Taxable interest—Taxes you paid reduce the amount of investment returns. Evaluate your current and future income expectations to determine if tax deferral may be beneficial.

Line 3 Dividends—Taxes you paid reduce the amount of investment returns. Evaluate your current and future income expectations to determine if tax deferral may be beneficial.

Line 4 IRA distributions—Are you younger than age 59½ and incurred a penalty? Consider creating an emergency fund to avoid accessing retirement assets.  
Are your RMDs larger than the income that you need? Consider whether a qualified longevity annuity contract (QLAC) would be a helpful strategy. A portion of the IRA account value can be used to purchase a QLAC which allows distributions to be deferred until age 85.  
Another opportunity may be a qualified charitable distribution (QCD). If you are charitably inclined, you may direct money from the IRA directly to a qualifying charity, up to \$108,000 (2024), and have it count toward your RMD but not be included in income and not be deductible. There are some limits if you are still making deductible IRA contributions.

Line 5 Pensions and Annuities—Pensions and annuities provide the opportunity for guaranteed lifetime income. Is the annuity income guaranteed? Is it at an appropriate level to support income needs?

Line 6 Social Security—Taxation of Social Security benefits is measured on combined income = adjusted gross income (AGI) + tax-exempt interest + ½ of Social Security benefits.  
Did Social Security benefits decrease from last year? Medicare Part B premiums are deducted from most taxpayers' Social Security benefits; an IRMAA adjustment could result in lower benefits received.

Line 7 Capital Gain or (loss)—Long-term capital gain assets provide the opportunity to choose when to recognize income by deciding when to sell the assets. Are your investment assets in the appropriate accounts based on the income generated? Perhaps high turnover accounts with short-term capital gains (STCG) in tax-deferred accounts and long-term capital gains (LTCG) in after-tax accounts. Are you eligible for a 0% LTCG rate?  
Are you implementing strategies such as capital gains or capital loss harvesting strategies each year?

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.  
If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$14,600
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked any box under

1a

1b

1c

1d

1e

1f

1g

1h

1z

2b

3b

4b

5b

6b

7

8

9

10

11

12

13

25-93

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## Annuities are long-term contracts with insurance companies designed for retirement savings and income often considered because they can help:

- Enable money to grow faster through **tax deferral**. Because an annuity offers tax deferral for individuals, earnings will compound without current income tax. Your money grows faster because you don't pay taxes on earnings until you actually withdraw them or until they are distributed to you.
- Control taxes through the timing of withdrawals.
- Provide protected **lifetime income** when you annuitize the contract no matter how long you live: Annuity payout options include some that pay for life, which helps alleviate concerns that you will outlive your assets.
- Preserve a legacy and help provide for loved ones through a guaranteed **beneficiary benefit**. A beneficiary benefit leaves an amount to loved ones and is typically a standard feature of an annuity, with many offering optional beneficiary benefits with enhanced features for an additional cost.

This checklist outlines the specific topics covered on Form 1040 that you may want to consider.

Topic	Expenses	Potential Strategy
Filing Status	<ul style="list-style-type: none"> <li>■ Do you need additional savings for retirement expenses?</li> </ul>	<b>Tax deferral</b>
	<ul style="list-style-type: none"> <li>■ Do you and your spouse want guaranteed income for life?</li> </ul>	<b>Lifetime income</b>
	<ul style="list-style-type: none"> <li>■ Do you want to provide a beneficiary benefit for your spouse after you die?</li> </ul>	<b>Beneficiary benefit</b>
Dependents	<ul style="list-style-type: none"> <li>■ Do you want to provide a beneficiary benefit for your heirs after you die?</li> </ul>	<b>Beneficiary benefit</b>
Business Income	<ul style="list-style-type: none"> <li>■ Do you have income from operating a business?</li> </ul>	<b>Lifetime income, beneficiary benefit</b> You can make tax-deductible contributions to a retirement plan for your business (for example, SEP-IRA, SIMPLE IRA, and/or Individual 401(k)).
Investment Income	<ul style="list-style-type: none"> <li>■ Are you receiving taxable interest, dividends, and/or capital gains?</li> </ul>	<b>Tax deferral</b>
	<ul style="list-style-type: none"> <li>■ Are you subject to net investment income tax (NIIT)?</li> </ul>	<b>Tax deferral</b> You may consider placing some of your less tax-efficient assets into a deferred annuity and receive tax deferral to avoid paying additional taxes.
Retirement Income	<ul style="list-style-type: none"> <li>■ Are you receiving IRA distributions, pension and annuity income, and/or Social Security benefits?</li> </ul>	<b>Lifetime income</b> <ul style="list-style-type: none"> <li>■ Make sure all early distributions (also called 72(t)/(q) distributions) taken before age 59½ are compliant.</li> <li>■ If you are taking required minimum distributions (RMDs), continue to take these distributions to avoid the 25% excise penalty. Roth IRAs do not have RMD requirements, so a Roth IRA conversion may be something to consider.</li> <li>■ Roth IRA distributions can be tax-free and would not impact Social Security benefits from being subject to income tax.</li> </ul>

All annuity guarantees, including optional benefits, are subject to the claims-paying ability and financial strength of the issuing insurance company.

A beneficiary benefit is referred to as a death benefit in the contract summary and prospectus.

Topic	Expenses	Potential Strategy
<b>Retirement-Plan Contributions</b>	<ul style="list-style-type: none"> <li>Do you participate in and contribute to a SEP-IRA, SIMPLE IRA, or qualified plan?</li> </ul>	<b>Lifetime income, beneficiary benefit</b> Generally, your contributions are made on a pretax basis and are a way to save for retirement and reduce your current taxable income.
<b>IRA Contributions</b>	<ul style="list-style-type: none"> <li>Are you (and/or your spouse) eligible for a deductible IRA contribution?</li> </ul>	<b>Lifetime income, beneficiary benefit</b> To make a traditional IRA contribution, you must have earned income. Your contributions may or may not be deductible depending on your participation in an employer-sponsored retirement plan and your modified adjusted gross income (MAGI).
<b>Adjusted Gross Income (AGI)</b>	<ul style="list-style-type: none"> <li>Have you considered a Roth IRA conversion so you can have access to tax-free income in the future?</li> </ul>	<b>Lifetime income, beneficiary benefit</b> Your conversion will be subject to income tax; however, future distributions will be tax-free when qualified distribution requirements are met (for example, you have owned a Roth IRA for five years and attained age 59½).
<b>Tax Total</b>	<ul style="list-style-type: none"> <li>Would you like the potential to pay fewer taxes in the future?</li> </ul>	<b>Tax deferral</b> With the rising tax environment, a deferred annuity can provide growth potential for your assets and avoid paying additional taxes.
<b>Refund</b>	<ul style="list-style-type: none"> <li>What do you intend to do with your refund?</li> </ul>	Instead of spending the refund, consider opportunities to save and invest for the future.

To learn more about deferred annuities,  
speak with your financial professional or visit our website.

**PacificLife.com**

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Annuity withdrawals and other distributions of taxable amounts, including beneficiary 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 beneficiary 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, beneficiary benefit options, and the ability to transfer among investment options without sales or withdrawal charges.

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. 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 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 payment options, may not be available or may have additional restrictions.

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

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