

LOANS ON A TAX-SHELTERED ANNUITY 403(b) RETIREMENT PLAN CONTRACTS

Frequently Asked Questions

May I take a loan from my 403(b) retirement plan contract?

Loans are available if your employer or plan permits loans.

- Only one loan is available at a time.
- The **403(b) Retirement Plan** contract must be in force for at least 30 days.
- Must wait 30 days from the loan payoff or loan default date before a new loan is requested.
- Loans are not available on Pacific Life fixed annuity contracts, Pacific Corinthian Life contracts, and Schwab Retirement Income Variable Annuity™ contracts.
- A loan will terminate any active optional benefits (riders).
- Surrender value must be at least \$2,000.

How much may I take?

- The minimum loan amount is \$1,000.
- The maximum loan amount is the lesser of 50% of the surrender value or \$50,000 (minus the highest loan amount during the 12-month period immediately preceding the effective date of the loan).

What is the net cost of the loan?

- Generally, the net cost of the loan is 2%. For Pacific Select Variable Annuity™ only, the net cost is 1.75%. Please check your contract for specifics.

What is the loan term?

- The loan term is five years, or if proceeds are used to acquire a principal residence, the term is 30 years.

What is the repayment schedule?

- The payments are due quarterly from the loan effective date.
- Pacific Life will generate a notice 27 days prior to the loan due date. A second notice is generated the business day after the loan due date if the payment is not received on the due date.

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.

How do I send in a loan payment?

- At this time, Pacific Life will accept only a personal check for loan payments; if the participant does not have a checking account, Pacific Life will accept a cashier's check (no money orders or traveler's checks for less than \$10,000.00 per the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act.
- Automatic payments can be set up through a bank billing service; however, payments must be submitted quarterly, and the Pacific Life contract number and loan payment must be referenced on the payment.
- Additional payments may be submitted at any time. Payments submitted outside the payment window (27 days prior to the loan payment due date or within 60 days after the loan payment due date) will be applied toward the principal and the full quarterly payment will still be due.
- If the loan payment date falls on a nonbusiness day, the loan payment should be received by the business day prior to the due date.

What if my payment is late?

- If the loan payment is 60 days past due, the loan will be treated as a full loan default and a taxable distribution will occur.
- Any payments received after the loan has defaulted will be returned.

How soon would I receive my loan check?

- The loan processing time frame is one to two business days depending on if the application is received before or after market close.
- Checks are mailed the business day after the loan is processed.
- Pacific Life currently cannot send funds via electronic funds transfer (EFT) or deduct the overnight fee from your contract; however, funds may be sent via overnight mail if a valid overnight billing account number through FedEx is provided.
- Any requests received on the 29th, 30th, or 31st of the month will be processed on the first business day of the next month. Checks are mailed the business day after the loan is processed.

Will I receive a confirmation of my loan payments?

- Transaction confirmations are generated when a loan is processed, when a payment is received, and when the loan defaults.
- An automatically generated letter also is sent when the loan defaults.

How may I request the loan?

- The [Non-ERISA TSA Loan Application and Agreement](#) form is available online with a Pacific Life login and also is generated when a loan quote is requested.
- The form can be faxed to Pacific Life.

May I receive a quote for a loan?

- Yes, please call customer service to request a loan quote.

Will my loan terminate my optional benefits?

- If the benefit has allocation requirements, taking a loan will terminate the benefit.

May I pay my loan off sooner than the five-year or thirty-year term?

- Yes, additional payments may be submitted.

May I take a withdrawal if I have a loan on my contract?

- For a partial withdrawal, you must leave enough to cover the loan balance as well as the product-specific contract minimum.
- For a full surrender, we require a letter of instruction to default the loan in order to process the full surrender. The letter of instruction must include acknowledgment that you are aware of the tax consequences for defaulting.

Loan Repayment Information

➤ Pacific Life Insurance Company

P.O. Box 2299, Omaha, NE 68172-9782

Customer Service: (800) 722-4448

Fax: (888) 837-8172

➤ Pacific Life & Annuity Company *(only for contracts issued in the state of New York)*

P.O. Box 2736, Omaha, NE 68103-2736

Customer Service: (800) 748-6907

Fax: (800) 586-0096

Pacific Life, its affiliates, 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 refers to Pacific Life Insurance Company (Newport Beach, CA) 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.

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