

## MODELING A VARIABLE ANNUITY in eMoney Advisor

This guide is intended to help you model a variable annuity with eMoney Advisor (referred to as eMoney throughout this document) financial-planning software within the Advanced Facts view. eMoney allows you to model various components of a financial plan using hypothetical examples of strategies such as annuities with a combination of the product illustration and a proxy asset allocation.

eMoney is an all-in-one, comprehensive wealth-planning tool. It offers a full range of capabilities, one of which is building a variable annuity with an optional guaranteed minimum withdrawal benefit (GMWB) (available for an additional cost) to demonstrate one way to create lifetime income. Note that while it can show how a variable annuity may fit into a client's retirement plan, it is a product-agnostic tool. It will show why clients planning for retirement may want to consider purchasing an annuity, but not why they should consider purchasing one from Pacific Life.

eMoney generates return assumptions that do not reflect any specific product. In this guide, for example, we are using Pacific Choice variable annuity with Future Income Generator optional benefit to illustrate the difference in terms used by Pacific Life to describe product features, and the inputs you will see in the eMoney system. The returns and income projections are hypothetical, do not reflect actual investment results, and do not guarantee future results. Clients should not rely on eMoney or its output for an accurate representation of how an annuity could work for their particular situations. Instead, you should refer them to a full, personalized product illustration.

### Topics You'll Find in This Guide

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


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

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## Below Are the Steps for Building a Variable Annuity within eMoney

### PRO TIP!

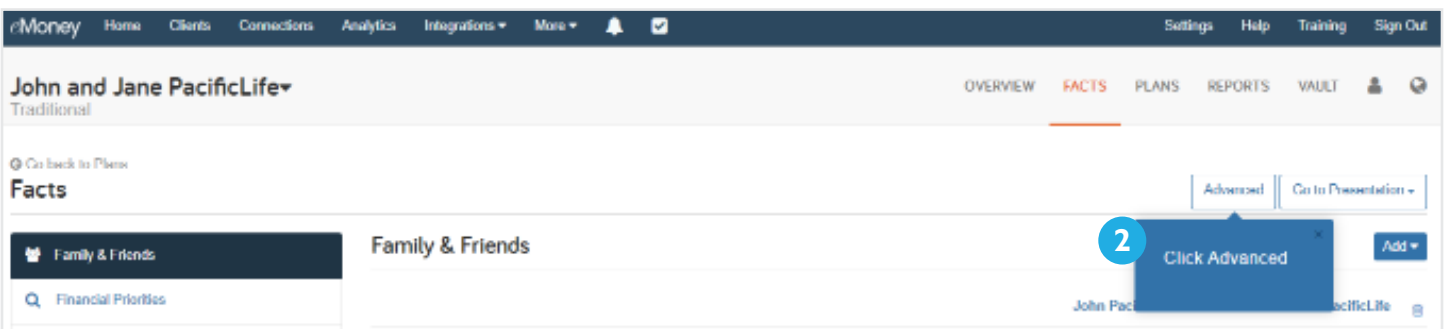
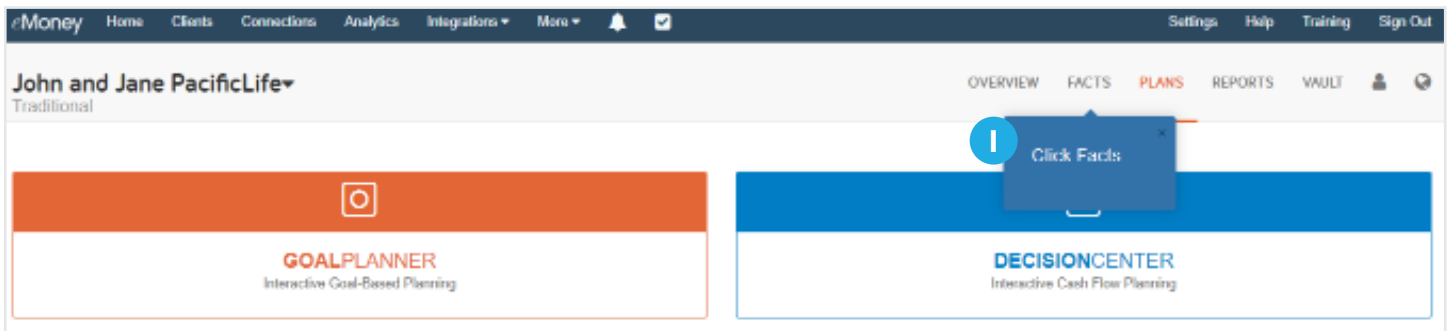
Go straight to your eMoney platform and search the Help function for the “**Add an Annuity**” tutorial and follow along there. Remember to click **Save** and then **Done** on any screens with those options available.

 **Add an Annuity**  
This How-To walks you through adding an annuity to a Client's account

### PRO TIP!

 Look for the Whale icon for Pacific Life product features as they translate to the eMoney inputs. A Pacific Life product illustration also will be needed to help you identify the features and inputs.

## STEP 1: ADDING THE ANNUITY



### PRO TIP!

If you are following along in the tutorial, you will see this pop-up of how annuities can be entered into eMoney as current income (*Immediate Annuity*) or an asset for income later (*Deferred Annuity*).

Annuities can be entered in two ways.

**Immediate Annuity:** [Click here](#) if the annuity is a SPIA, or has already been annuitized

**Deferred Annuity:** [Click here](#) if you plan to annuitize in the future, intend to take guaranteed withdrawals, or would like to take regular distributions

# STEP 1: ADDING THE ANNUITY (cont.)

Go back to Facts

## Advanced Facts

### Investments

- Family Information
- Entities
- Assumptions
- Property
- Investments**
- Taxable
- Cash
- Qualified Retirement
  - Roth IRAs
  - HSA's
  - 529 Plans
  - Stock Options/Grants
- Annuities**
- Deferred Compensation
- Asset Allocation
- Business Interests

### Annuities

This client has no Annuities.  
To add a new Annuity, click on the button below:

Add an Annuity

Add New Investment

- Fixed/Variable Annuity**
- Stock Options / Grants
- Deferred Compensation Plan

Type of Fun...

Available in Ye...

Start Indexi...

Click Fixed/Variable Annuity to add a new annuity  
Or select an existing Annuity from the list on the left.

3. Click Investments

4. Click Annuities

# STEP 2: BUILDING THE ANNUITY

## Building the Basics

On the **Basic** tab, you will name the asset, choose the annuity type, the qualification, and the assumed returns. Enter the fields as follows:

1. Name the annuity:  
Pacific Choice Income with Future Income Generator
2. Asset type: Variable
3. Type of funds:  
Qualified or Nonqualified
4. Available in Year: Leave blank
5. Start Indexing: Immediately
6. Total Value: Leave at \$0
7. Pre/Post Retirement Gross Growth:  
Choose either a preset rate or By Asset Mix.
8. Owner: Choose from the drop-down menu.
9. Primary Beneficiary: Choose from the drop-down menu.
10. Annuitization Begins: Choose Never.

The screenshot shows the iMoney software interface for setting up an annuity. The top navigation bar includes 'Home', 'Clients', 'Connections', 'Analytics', 'Integrations', and 'More'. The client name is 'John and Jane PacificLife' with a 'Traditional' account type. The 'Advanced Facts' section is active, and the 'Basic' tab is selected. The form fields are as follows:

- Asset Name: Pacific Choice Income with Future Income Generator (1)
- Institution Name: (empty)
- Asset Type: Variable (Manually Entered) (2)
- Type of Funds: Qualified (3)
- Available in Year: (empty) (4)
- Start Indexing: Immediately (5)
- Holdings Value: (empty)
- Cash Balance: (empty)
- Margin Balance: (empty)
- Total Value: 50 (6)
- Tax Basis: (empty)
- Pre-Retire Gross Growth: Use Default Rate
- Post-Retire Gross Growth: Use Default Rate (7)
- Owner: John and Jane (Joint/ROS) (8)
- Primary Beneficiary: Jane PacificLife (9)
- Annuitization Begins: Never (10)

At the bottom of the form, there are buttons for 'Delete', 'Reset', 'Save', and 'Done'. A 'Next' button is also present, highlighted in a blue callout box. The callout box contains the following text:

**Important note:**  
Select the year of annuitization if this Annuity will be annuitized. Annuitization occurs when the account value is surrendered for a guaranteed income stream.  
Or  
Select Never if the client does not plan to annuitize this Annuity. This will keep the Annuity as a Deferred Annuity, from which you can model withdrawals (including guaranteed withdrawals if applicable).  
**FPO: this screen is missing**

## STEP 2: BUILDING THE ANNUITY (cont.)

### Building the Guarantees

On the **Guarantees** tab, you will input the parameters of the rider you want to illustrate. Please note, the system has limitations.

1. Guarantees Apply to: Withdrawals Only
2. Guarantees Specified as: Rider Definitions
3. Guaranteed Withdrawal Rate: (Not a dynamic number). Determine client's income rate as specified by the contract and input that percentage. *Guaranteed Lifetime Income Amount*
4. Guarantee in Effect for: Choose appropriate lifetime.
5. Total Contributions Guaranteed?: Yes
6. Guaranteed Return Interest Type: Simple
7. Guaranteed Return Based on: Contribution base amount the simple guaranteed return is based on. *Purchase payments*
8. Guaranteed Return on Contributions: Annual rate of return that is applied to the contribution base value. *This amount is variable and can be either: annual step-up or deferral credit, or a combination of both based on market historical returns.*
9. Current Total Contributions Base Value: Current contribution base value amount *Purchase payments*
10. High Water Mark Guaranteed?: Yes *Annual step-up.*
11. Guaranteed Return for High Water Mark: Guaranteed annual rate of return on high water mark; blank means no guaranteed return. *Leave blank; no guarantee*
12. Current High Water Mark Base Value *Current Protected Payment Base value based on step-up, market growth, or any credits applied*
13. Guaranteed Benefit Cap (dollars): Leave blank
14. Guaranteed Benefit Cap (age): 95 *95 is Pacific Life's maturity date for annuitization, with an option to extend to age 100*
15. Total Contributions Guaranteed?: Yes *Standard Guaranteed Death Benefit or Return of Premium*

eMoney Home Clients Connections Analytics Integrations More

John and Jane PacificLife  
Traditional

Go back to Facts

### Advanced Facts

Overview

- Family Information
- Entities
- Assumptions
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- Investments
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- Annuities
  - Pacific Choice Income**
  - Deferred Compensation
  - Asset Allocation
- Business Interests
- Insurance
- Notes Receivable
- Liabilities
- Income
- Expenses
- Savings & Transfers
- Buy/Sell Transactions
- Trusts and Partnerships
- Wills & Gifting
- Objectives

#### Annuity > Pacific Choice Income with Future Income Gener

Basic Guarantees Ownership Beneficiaries RMD Fees

Protect this Guaranteed Annuity from Cash Flow Liquidation

### Withdrawal / Income Guarantees

Guaranteed Withdrawals:

Guarantees Apply to: Withdrawals Only 1

Guarantees Specified as: Rider Definitions 2

Guaranteed Base Benefit Amount:

Guaranteed Withdrawal Rate: 3

Guarantee in Effect for: Last To Die 4

Term of Guarantee (years):

RMD Handling (Qualified Only): RMD Friendly

Guaranteed Annuitization Payout Factor:

Guaranteed Base Values:

Total Contributions Guaranteed?: Yes 5

Guaranteed Return Interest Type: Simple 6

Guaranteed Return Based on: 7

Guaranteed Return on Contributions: 8

Current Total Contributions Base Value: 9

High Water Mark Guaranteed?: Yes 10

Guaranteed Return for High Water Mark: 11

Current High Water Mark Base Value: 12

Guaranteed Benefit Cap (dollars): 13

Guaranteed Benefit Cap (age): 14

### Death Benefit Guarantees

Guaranteed Base Values:

Total Contributions Guaranteed?: Yes 15

# STEP 2: BUILDING THE ANNUITY (cont.)

## Establishing the Fees

On the **Fees** tab, input how the fees are reflected throughout the plan.

1. **Advisor Fee Calculation:** If you have a built-in fee schedule for all investments in a plan, specify with “Use Fixed Percentage.” If not, leave as “No Fee Applied.”
2. **Account Fee:** Input the core contract charge.  
*Contract fee—standard mortality, expense, and administrative (ME&A) fee*
3. **Other Fee:** Input applicable rider charges.  
*Optional Benefit Charges*

**Note:** To achieve a fair comparison, if you do not input in the internal fund fees of other investments in the portfolio, do not include any subaccount charge here. *Subaccount net expense fees will vary based on the chosen investment options*

Go back to Facts

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#### Annuity > Pacific Choice Income with Future Income Gener

Basic Guarantees Ownership Beneficiaries RMD **Fees**

**Advisor Fees**

Advisor Fee Calculation: No Fees Applied

Fixed Advisor Fee:

**Account Fees:**

Account Fee:

Other Fee:

**Growth Rates:**

Pre-Retire Gross Growth:	Growth And Income (5.46%)
Pre-Retire Effective Growth:	5.46%
Post-Retire Gross Growth:	Growth And Income (5.46%)
Post-Retire Effective Growth:	5.46%

## Asset Mix/Investment Returns

As part of assumed returns, one option is **Asset Mix**. This is an opportunity to discuss the potential benefits of adding a Pacific Choice Income variable annuity.

1. **Asset Class:** Few things can affect the probability of a plan’s success quite like the assumed returns. Here, eMoney uses historical return data on 23 asset classes. Click the edit links to access the entry boxes below.

Go back to Facts

### Advanced Facts

Overview

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#### Annuity > Pacific Choice Income with Future Income Generator

Basic Guarantees Ownership Beneficiaries RMD Fees Holdings **Asset Mix**

Asset Class	Percent edit	Value edit
Large-Cap Growth	0.00%	\$0
Large-Cap Value	0.00%	\$0
Large-Cap Blend	0.00%	\$0
Mid-Cap Growth	0.00%	\$0

# STEP 3: FUNDING THE ANNUITY

The value of the annuity was left at ZERO. This is because we will use existing plan assets to fund the purchase of the annuity. Within the Advanced Facts, follow the steps below to build in a one-time transfer of assets to fund the annuity.

1. **Savings & Transfers:** Click Savings & Transfers to expand the selection, then choose Transfers.
2. **Add a Transfer Flow:** If the annuity is not annuitizing, then you will need to create a transfer flow. This tells the system when to pay out the guaranteed withdrawal/income.

The screenshot shows the eMoney software interface. At the top, there is a navigation bar with 'eMoney' and various menu items like Home, Clients, Connections, Analytics, Integrations, More, Settings, Help, Training, and Sign Out. Below this, the client name 'John and Jane PacificLife' is displayed, along with tabs for OVERVIEW, FACTS (which is selected), PLANS, REPORTS, and VAULT. The main content area is titled 'Advanced Facts' and includes a 'Go back to Facts' link and a 'Basic' button. On the left, a sidebar menu lists various categories, with 'Savings & Transfers' highlighted and marked with a blue circle containing the number '1'. The main content area is titled 'Savings & Transfers Summary' and contains the text: 'The Savings & Transfers section allows you to add and edit information regarding transfers between your client's assets. John and Jane PacificLife have...'. Below this, there are two bullet points: 'No transfers' and 'No Roth conversions'. On the right side of the main content area, there is a section titled 'Update Savings' with a blue circle containing the number '2' next to it. This section contains three options: 'Add a Transfer Flow', 'Add a Roth Conversion', and 'Edit Year-End Savings'.

## PRO TIP!

If funding the annuity with the **entire value** of an existing account, skip this step and follow the instructions under **PRO TIP IF FUNDING ANNUITY WITH ENTIRE VALUE OF EXISTING ACCOUNT.**

## STEP 3: FUNDING THE ANNUITY (cont.)

1. Name: Name the transfer. For example, Transfer IRA to Pacific Choice Income with Future Income Generator annuity

2. Transfer Full Value: Yes, if transferring an entire account. No, if only transferring a portion.

3. Annual Amount: If only transferring a portion of the account, specify the value of the annuity.

4. Pre/Post Retirement Gross Growth: Leave as is because this is a one-time transfer.

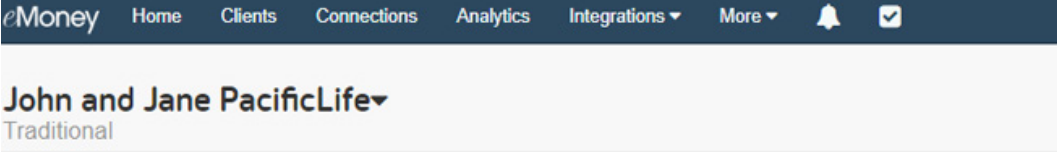
5. Source: Choose the account you want to fund the annuity from.

6. Destination: Choose the annuity you previously set up; the value will be \$0 since you are funding it now.

7. Starts/Ends: This refers to the start and end date of the funding. Set both to the year of funding, for example, Calendar Year 2024

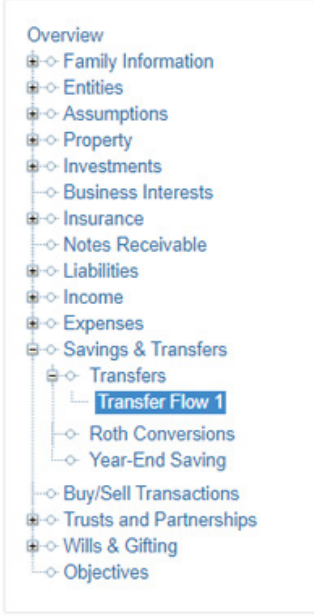
8. Exempt from Withdrawal Penalty: If Qualified, select Yes.

9. Guaranteed Annuity Withdrawal?: Yes; this will translate the guarantees you set up in the Guarantees tab of the annuity.



[Go back to Facts](#)

### Advanced Facts



### Transfers > Transfer Flow 1

Basic Schedule Timing Notes

Name:  1

Transfer Full Value:  2

Annual Amount:  3

Pre-Retire Gross Growth:  4

Post-Retire Gross Growth:  4

Source:  5

Destination:  6

Starts:  2024 7

Ends:  2024 7

#### Qualified & Guaranteed Transfers

Exempt from Withdrawal Penalty:  8

Contribution Deductible? (Traditional IRA Only)

Contribution Type (Traditional IRA Only):

Guaranteed Annuity Withdrawal?:  9

## STEP 3: FUNDING THE ANNUITY (cont.)

### Pro Tip if Funding Annuity with Entire Value of Existing Account

1. Choose the type of account that is to be rolled over/transferred to an annuity. In our example, it is a Qualified Retirement account.
2. Choose the account that is to be rolled/transferred. In our example, we are using John's IRA in its entirety to fund the annuity, and select the appropriate type of annuity. This will move the account and the value to an annuity, where you can set up the guaranteed income information without needing to transfer funds to it. Then, follow the instructions on previous pages.
3. Change Type: Click here and change the account type to Annuity and select the appropriate type of annuity. This will move this account and the value to an annuity, where you can set up the guaranteed income information without needing to transfer funds to it. Then, follow the instructions on previous pages for Adding an Annuity to build out the Guarantees.

Go back to Facts

### Advanced Facts

Basic

#### Qualified Retirement Plan > John's IRA

Basic Contributions Beneficiaries RMD Fees Holdings Asset Mix Account History Sub-Accounts Notes

Asset Name: John's IRA

Institution Name: Keetra Financial

Type: IRA (Manually Entered)

Available in Year: [Dropdown]

Start Indexing: Immediately

Holdings Value: [Input]

Cash Balance: [Input]

Margin Balance: [Input]

Total Value: \$500,000

Non-Roth Value: \$500,000

Established Year: [Dropdown]

Roth Value: [Input]

Roth Cost Basis: [Input]

Non-Roth Post-tax Cost Basis: [Input]

#### Help

This page provides detailed information about your client's qualified retirement plan. Roth Individual Retirement Accounts (Roth IRAs) are entered separately because they have different tax implications.

The system now enables you to reflect various asset-based account fees for more accurate modeling. Click Here to see your estimated expenses and the effective net growth rate.

You may add to or edit the information on this page, and Save your changes.

Change Type

# STEP 4: TURNING ON INCOME

Next, you will need to turn on the guaranteed income by creating (another) transfer flow from the newly funded annuity into income. The income stream will begin at the rate set when building the Guarantees.

1. Transfers: From the Advanced Facts view, choose Savings & Transfer, then Transfers.
2. Add a Transfer Flow: Click here to create a new Transfer Flow to turn on the income from the annuity.

Go back to Facts

## Advanced Facts

Basic

### Transfers

Name	From / To	Gross Growth	Amount
Transfer IRA to Pacific Choice Income with FIG Pacific Choice Income with Future Income Generator	John's IRA	0.00%	Full Value

#### Help

You may edit or delete any of the listed transfer flows or

2 [Add a Transfer Flow](#)

You may also:

- [Add a Roth Conversion](#)
- [Edit Year-End Savings](#)

Task Completed

## STEP 4: TURNING ON INCOME (cont.)

1. Name: Name the transfer, for example, GMWB Future Income Generator
2. Transfer Full Value: No
3. Source: Select the annuity you just built
4. Destination: Core Cash Account
5. Starts: The year/age the client(s) want to receive income
6. Ends: Choose the appropriate timeframe for the income: at owner's passing, or for a Joint Life rider, choose the spouse's death
7. Exempt from Withdrawal Penalty: Yes
8. Guaranteed Annuity Withdrawal? : Yes

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- Name: GMWB Future Income Generator (1)
- Transfer Full Value: No (2)
- Annual Amount: [Empty field]
- Pre-Retire Gross Growth: No Growth (0.00%) (v)
- Post-Retire Gross Growth: No Growth (0.00%) (v)
- Source: Pacific Choice Income with Futur (3)
- Destination: Core Cash Account (4)
- Starts: John's Retirement (age 65 in 2032) (5)
- Ends: Jane's Death (age 95 in 2062) (6)

Below these fields is the 'Qualified & Guaranteed Transfers' section with the following fields:

- Exempt from Withdrawal Penalty: Yes (7)
- Contribution Deductible? (Traditional IRA Only): No (v)
- Contribution Type (Traditional IRA Only): Fixed Amount (v)
- Guaranteed Annuity Withdrawal?: Yes (8)

For more information about Pacific Life's tax-deferred products,  
please contact your consultive Pacific Life wholesaler.  
(800) 722-2333 | [Annuities.PacificLife.com](http://Annuities.PacificLife.com)

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Before investing, your clients should carefully consider the investment objectives, risks, charges, and expenses of the variable annuity product, including its underlying investment options.

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*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.*

***Investors 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 should be read 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 include lifetime income, death benefit options, and may include the ability to transfer among investment options without sales or withdrawal charges.

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 or Pacific Life & Annuity Company. In New York, insurance products are only issued 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.

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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.

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