PACIFIC LIFE INDIVIDUAL(K) PROGRAM

A 401(k) Designed Exclusively for Owner-Only Businesses

Using Variable Annuities Issued by Pacific Life
and Mutual Funds Offered by Pacific Funds℠

VLC0966-0318

WHY A PACIFIC LIFE VARIABLE ANNUITY

It's essential for you to choose a strong and stable company that can help you achieve your future income needs. Since 1868, individuals and their families have relied on the strength of Pacific Life to help protect their financial security.

- 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 and do not apply to the safety or performance of the underlying variable investment options or the mutual funds. For more information and current financial-strength ratings, please visit PacificLife.com.

Let Pacific Life help you work toward your retirement goals with the Pacific Life **Individual(k) Program**—a 401(k) designed exclusively for self-employed business owners and their spouses.

[1]Recipient of multiple DALBAR Service Awards since 1997. Refer to www.DALBAR.com for more information regarding awards, certification, and rankings.

Benefits

- High, tax-deductible contribution limits—up to $55,000 annually.
- Immediate vesting.
- Flexible contribution options.
- Pretax elective deferrals.
- Roth after-tax elective deferrals.
- “Catch-up” contributions for those age 50 or older.
- Retirement asset consolidation.
- Cost-effective administration.
- Plan loans available. (See page 5 for important product restrictions.)

Pacific Life is the provider of the Individual(k) Program and, along with its affiliates, offers the underlying investment vehicles. Pacific Life, Pacific Select Distributors, and Pacific Funds do not provide any Individual(k) or 401(k) plan administrative services or impartial investment advice and do not act in a fiduciary capacity. All record keeping and administrative services are provided by Ascensus®.

FOR SELF-EMPLOYED BUSINESS OWNERS

The Pacific Life Individual(k) Program covers only the self-employed owners of a business and, if applicable, their spouses. Any type of business is eligible, including:

- Sole proprietorships.
- Partnerships.
- Corporations (including both subchapter S and C corporations).

While a one-person business clearly qualifies, there are other business arrangements that are eligible, including family businesses (owner and spouse) and businesses with "excludable" employees, such as employees younger than age 21 or those who work fewer than 1,000 hours each year. An individual(k) plan is generally not suitable for businesses that will be adding full-time employees in the near future.

Individual(k) plans capitalize on tax-law changes, allowing owner-only businesses to enjoy the same benefits as larger-company 401(k) plans. There are no complex administration requirements or discrimination testing, making it easy to set up and manage at a much lower cost.

Contribute More, Retire Sooner

Individual(k) plans generally have higher contribution limits than SEP-IRAs and SIMPLE IRAs, allowing you to invest more now to potentially reach your retirement goal faster.

Estimated 2018 Allowable Contributions

Compensation	Maximum Contribution		
	Individual(k) Plan	SEP-IRA	SIMPLE IRA
$10,000	$10,000	$2,500	$10,300
$50,000	$31,000	$12,500	$14,000
$100,000	$43,500	$25,000	$15,500
$150,000	$55,000	$37,500	$17,000
$200,000	$55,000	$50,000	$18,500
$300,000	$55,000	$55,000	$21,500

The chart assumes the business owner claiming W-2 income is younger than age 50 and therefore cannot make "catch-up" contributions. The maximum contribution limit may be lower for individuals with self-employment income.

Salary Deferrals

Pacific Life Individual(k) Program participants have the option to designate their individual(k) contributions as a pretax salary deferral or an after-tax Roth 401(k) contribution, and the plan can allow for after-tax Roth 401(k) contributions if needed. Before a Roth 401(k) contribution can be made, the plan sponsor must amend the plan.

A Roth 401(k) contribution is an after-tax employee salary-deferral amount. Assuming certain requirements are met, future distributions (including earnings) will be tax-free. Traditional 401(k) contributions are pretax salary-deferral amounts. When distributed, these salary-deferral amounts and any subsequent earnings are taxed to the participant.

SALARY-DEFERRAL QUESTIONS AND ANSWERS

- **Are Roth 401(k) and traditional 401(k) contributions both included in the maximum allowable salary-deferred contribution amount?** Yes. You can make a traditional pretax 401(k) contribution and an after-tax Roth 401(k) contribution at the same time, and these contributions both count toward the maximum allowable deferral contribution amount (for 2018, $18,500, or $24,500 for those ages 50 and older).

  Example: A 40-year-old participant has deferred $8,000 year-to-date into his Roth 401(k) account; he may still defer up to $10,500 into either his traditional 401(k) account or his Roth 401(k) account.

- **Can employer contributions be funded as after-tax Roth contributions?** No. Employer "matching" and profit-sharing contributions can be categorized only as pretax contributions. Future withdrawals of the employer contributions will be taxable to the participant.

- **What should I consider when choosing between after-tax and pretax salary-deferred contributions?** Roth 401(k) contributions can be a great way to save for retirement. But keep in mind, if you are used to saving on a pretax basis (which lowers the amount of your taxable income), switching to after-tax contributions may result in a larger tax bill during the year. As a result, your take-home pay may be less.

Control How Much You Contribute

An individual(k) plan gives you funding flexibility. Each year, you can choose how much and how often you want to contribute. A good year for business? Contribute the maximum. A less-than-stellar year? No contribution is required.

There are two components of the maximum individual(k) contribution:

- The employee salary-deferred contribution, which can be a combination of after-tax Roth or pretax contributions. (Individuals age 50 or older may contribute an additional "catch-up" amount annually.)
- The employer profit-sharing contribution.

  Example

  Peter, age 43, is the sole owner of XYZ, Inc. Based on his tax advisor's recommendation, he intends to draw a salary of $50,000 from his company in 2018. Peter's maximum individual(k) contribution for 2018 would be the sum of A, B, and (if applicable) C.

		2018 Allowable Individual(k) Contribution	Peter's Contribution
A	Salary-Deferral Contribution	Lesser of $18,500 or total earned income	$18,500
B	Profit-Sharing Contribution	25% of earned income (not to exceed $55,000)	$12,500 (25% of $50,000)
C	Catch-Up Contribution (age 50 or older)	Up to $6,000	N/A
	Total Contribution	Up to $55,000 ($61,000 if age 50 or older)	$31,000

No more than $275,000 of total earned income can be taken into account. A + B cannot exceed $55,000 ($61,000 if age 50 or older) or 100% of earned income. This hypothetical calculation is for a corporation; calculations differ slightly for sole proprietorships and partnerships.

If Peter were age 50 or older, he would be eligible to make catch-up contributions of up to $6,000, making his total 2018 contribution $37,000.

CONSOLIDATE EXISTING RETIREMENT PLANS

If you have multiple retirement accounts and are looking to simplify your life, consider consolidating your existing qualified plan accounts into a Pacific Life Individual(k) Program. By setting up your plan, you'll be able to take advantage of high contribution limits, potentially increase the amount you can borrow, and reduce the confusion of maintaining multiple plans. Of course, check with your financial and tax advisors before transferring any retirement assets.

Eligible plans to roll or transfer assets may include:

- Traditional IRA
- SIMPLE IRA (after meeting two-year requirement)
- SEP-IRA
- Keogh
- Previous employer's 401(k) or 403(b) plan

Getting Started

If you're ready to start saving more for your retirement, consider the Pacific Life Individual(k) Program funded with Pacific Life Insurance Company or Pacific Life & Annuity Company variable annuities and/or Pacific Funds. With your financial advisor, review our **Pacific Life Individual(k) Program Kit,** which includes a step-by-step guide to setting up your plan. The investment application, other forms, and the prospectus are located in the appropriate product kit and are not included in the Individual(k) kit. For more information, please contact Pacific Life or Pacific Funds.

The Pacific Life Individual(k) Program	
Who May Establish	Any business that employs only owners and their spouses (including subchapter S and C corporations, partnerships, and sole proprietorships).
Eligibility	Generally, any business that has no employees other than the business owners and their employed spouses.
Deadline to Establish	End of business tax year.
Deadline to Fund	Employer's tax return due date (including extensions).
Contribution Type	Individual(k) contributions have two components: employee salary-deferred contributions, which can be any combination of after-tax Roth or pretax contributions, and an employer profit-sharing contribution. Contributions are discretionary each year.
Maximum Contributions	For 2018, the maximum is the sum of A, B, and C below: (A) Salary-deferred [pretax and/or Roth 401(k)] contribution: up to $18,500 (B) Employer contribution: up to 25% of earned income (C) Catch-up contribution for individuals age 50 or older: up to $6,000 A + B cannot exceed $55,000 ($61,000 if age 50 or older) or 100% of earned income. No more than $275,000 of total earned income can be taken into consideration.
Vesting	100% immediate.
Loans	Generally available up to 50% of account balance or $50,000, whichever is less. Establishment and repayment are subject to IRS guidelines. While the individual(k) plan itself may provide for loans, the Pacific Life Insurance Company or Pacific Life & Annuity Company variable annuity contract funding the plan does not allow for loans to be taken. A loan request from the plan will be treated as a request for a withdrawal, and all contract provisions will apply, including contract surrender charges, if applicable, for withdrawals in excess of the amount that can be taken without a surrender charge. Withdrawals may have an adverse impact on optional benefits. Withdrawals taken for plan loan requests will not be subject to withholding or tax reporting by Pacific Life; the recordkeeper, Ascensus, is responsible for any applicable tax reporting for loans. Loan repayments will be deemed new investments into the annuity contract and will be subject to a new surrender charge schedule in accordance with the contract provisions. A loan request from a Pacific Funds account may be subject to fees and charges, including a contingent deferred sales charge (CDSC), depending on the share class. All loan repayments into the plan are investments into the account and may be subject to a new CDSC, depending on the share class purchased, including payments that the participant may consider to be "loan repayments." Check with your financial and tax advisors before transferring money.
Withdrawals	Generally available after age 59½ or upon death, disability, or plan termination. Withdrawals are taxable, and if made prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals (including loans) may be subject to an investment vehicle CDSC. Please see the applicable product prospectus for details.
Rollovers	Retirement assets can be rolled from most eligible retirement plans, including a traditional IRA, SEP-IRA, Keogh, and assets held in former employer-sponsored plans, such as company 401(k)s.
Investment Choices	Pacific Life's Individual(k) Program offers Pacific Life Insurance Company and Pacific Life & Annuity Company variable annuities and Pacific Funds as the investment vehicles.
Plan Establishment, Recordkeeping, and Administrative Services	Ascensus is responsible for providing an IRS-approved plan document, along with recordkeeping and administrative services such as: • Installation and plan set-up services. • Annual services, such as: – Reconciliation of participant accounts. – Contribution processing for deferrals, rollovers, and discretionary contributions. – IRS reporting. – Annual statements. • Distribution services. • Plan termination services.

Plan recordkeeper mailing address:
Ascensus, Inc.
Attn: Individual(k)
P.O. Box 807 • 124 Eighth Avenue NE • Brainerd, MN 56401
(800) 345-6363 • Fax (218) 855-6010 • www2.ascensus.com

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, Pacific Funds, 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.

You should carefully consider an investment's risks, charges, limitations, and expenses. This and other information about Pacific Life variable annuities and Pacific Funds are provided in the applicable product and underlying fund prospectuses. These prospectuses are available from your financial advisor or by calling the toll-free numbers listed above. Read them 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 tax may apply. A withdrawal charge also may apply. Withdrawals will reduce the contract value and the value of the death benefits, and also may reduce the value of any optional benefits.

Variable annuities are long-term investments designed for retirement. The value of the variable investment options will fluctuate and, when redeemed, may be worth more or less than the original cost.

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 the ability to transfer among investment options without sales or withdrawal charges.

Pacific Life, Pacific Select Distributors, and Pacific Funds do not provide any employer-sponsored qualified plan administrative services or impartial investment advice and do not act in a fiduciary capacity for any plan. Please contact your plan administrator for any questions relating to your 401(k) plan. Investors should consult their tax advisors and attorneys regarding their specific situations.

For information regarding administrative and recordkeeping services for the Pacific Life Individual(k) Program, call Ascensus, Inc., at (800) 345-6363.

Ascensus provides administrative and recordkeeping services and is not a broker/dealer or investment advisor. The plan sponsor will contract directly with Ascensus for the applicable recordkeeping and administrative services based on the services provided. Ascensus® and the Ascensus logo are registered trademarks of Ascensus, Inc.

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. Insurance product and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment.

Mutual funds are offered by Pacific Funds. Variable insurance products and mutual funds are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company (Newport Beach, CA) and an affiliate of Pacific Life & Annuity Company, and are available through licensed third parties. Pacific Funds refers to Pacific Funds Series Trust.

VLC0966-0318

Mailing addresses:

Pacific Life Insurance Company
P.O. Box 2378
Omaha, NE 68103-2378
(800) 722-4448

In New York, Pacific Life & Annuity Company
P.O. Box 2829
Omaha, NE 68103-2829
(800) 748-6907

Pacific Funds
P.O. Box 9768
Providence, RI 02940-9768
(800) 722-2333, Option 2

www.PacificLife.com

www.PacificFunds.com