PACIFIC LIFE

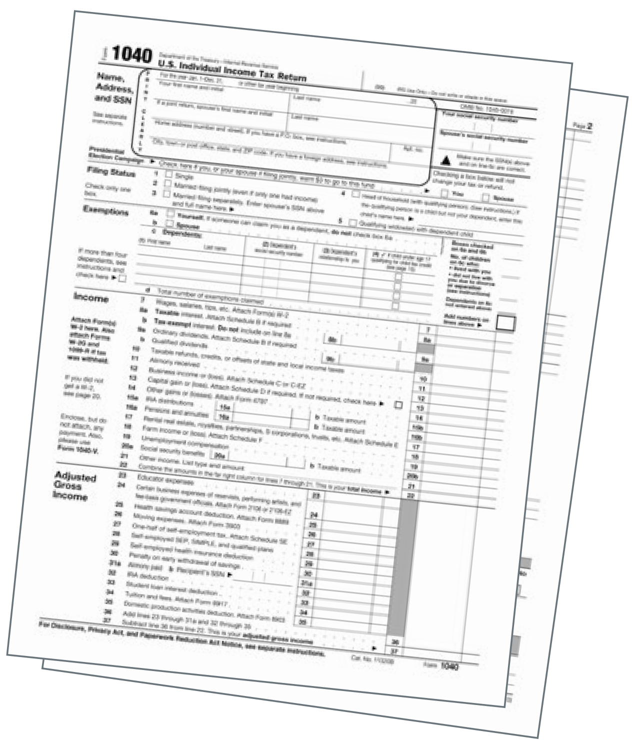
Uncover Ways to Maximize Tax Savings:

An Annual Review of IRS Tax Form 1040

Scheduling an annual review of IRS Tax Form 1040 with your financial and tax advisors is an opportunity to confirm that your long-term retirement strategy is still on target. By taking a closer look, the form may also identify tax savings you may have missed in the past and planning opportunities that you may 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 meeting your long-term retirement strategy.

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Many people consider deferred annuities while saving for retirement because they can help:

- Enable money to grow at a faster rate through **tax deferral**: Because an annuity is a tax-deferred investment 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.
- Provide guaranteed **lifetime income** no matter how long you live: Annuity payout options include some that pay for life, which helps alleviate the fear that you will outlive your assets. It's an important benefit that only annuities provide.
- Preserve a legacy and help protect loved ones through a guaranteed **death benefit**: A guaranteed death benefit is a standard feature of an annuity. Many annuities also offer enhanced death benefit features for an additional cost.

This checklist outlines the specific topics covered on Form 1040 that you may want to consider revisiting. Then, together with your financial advisor, consider the corresponding opportunity that a deferred annuity may offer and how it may apply to your situation.

Topic	Consideration *(check all that apply)*	Opportunity with a Deferred Annuity
Filing Status	☐ Do you need additional savings for retirement expenses?	**Tax deferral**
	☐ Do you and your spouse want guaranteed income for life?	**Lifetime income**
	☐ Do you want to provide a death benefit for your spouse?	**Death benefit**
Dependents	☐ Do you want to provide a death benefit for your heirs?	**Death benefit**
Business Income	☐ Do you have income from operating a business?	**Lifetime income, death benefit** 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	☐ Are you receiving taxable interest, dividends, and/or capital gains?	**Tax deferral**
	☐ Are you subject to net investment income tax (NIIT)?	**Tax deferral** You may consider placing some of your less tax-efficient assets into a deferred annuity and receive tax deferral while avoiding any unnecessary taxes.

Topic	Consideration *(check all that apply)*	Opportunity with a Deferred Annuity
Retirement Income	☐ Are you receiving IRA distributions, pension and annuity income, and/or Social Security benefits?	**Lifetime income** • Make sure all 72(t)/(q) distributions taken before age 59½ are compliant. • If you are taking required minimum distributions (RMDs), continue to take these distributions to avoid the 50% excise penalty. Roth IRAs do not have RMD requirements, so a Roth IRA conversion may be something to consider. • Roth IRA distributions can be tax-free and would not impact Social Security benefits from being subject to income tax.
Retirement Plan Contributions	☐ Do you participate and contribute into a SEP-IRA, SIMPLE IRA, or qualified plans?	**Lifetime income, death benefit** Generally, your contributions are made on a pretax basis and are a way to save for retirement and reduce your current taxable income.
IRA Contributions	☐ Are you (and/or your spouse) eligible for a deductible IRA contribution?	**Lifetime income, death benefit** To make a traditional IRA contribution, you must be younger than age 70½ and 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.
Adjusted Gross Income	☐ Have you considered a Roth IRA conversion so you can have access to tax-free income in the future?	**Lifetime income, death benefit** 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).
Tax Total	☐ Would you like the potential to pay fewer taxes in the future?	**Tax deferral** With the rising tax environment, a deferred annuity can help you grow your assets and avoid paying any unnecessary taxes.
Refund	☐ What do you intend to do with your refund?	Instead of spending the refund, consider opportunities to save and invest for the future.

Talk to your financial advisor today about how a deferred annuity may help meet your long-term retirement strategy.

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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, its distributors, and respective representatives do not provide administrative services for qualified plans and do not act in a fiduciary capacity. Clients should consult their tax advisors and attorneys regarding their specific situations.

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