

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

Frequently Asked Questions

> **May I take a withdrawal from my 403(b) retirement plan contract?**

Yes, assuming a triggering event has occurred. If a triggering event has occurred, it is possible that the employer or the employer's third-party administrator (TPA) may need to sign or approve the withdrawal depending on if the contract is considered grandfathered or non-grandfathered pursuant to the final 403(b) regulations.

What is a triggering event?

- A triggering event is an approved reason for money to be taken from your contract.
- Amounts attributable to elective salary deferral contributions can be withdrawn only when a triggering event occurs and may be approved by the employer and/or third-party administrator. Triggering events are:
 - Attainment of age 59½.
 - Separation from service (no longer work for the company).
 - Death: additional requirements may apply; please contact customer service.
 - Disability.
 - Plan termination.
 - Qualified domestic relations order (QDRO) due to divorce: additional requirements may apply; please contact customer service.
 - Return of excess elective deferrals.
 - Hardship (no earnings can be withdrawn).

Does my contract require employer or third-party administrator approval?

- My contract is grandfathered:
 - Approval is not required.
 - How do I know if my contract is grandfathered? It's when any of the three statements below apply:
 - I did not make any salary deferral contributions to this contract after December 31, 2004.
 - My contract was issued with a 90–24 transfer initiated prior to September 25, 2007, and no additional contributions have been made.
 - My employer that sponsored this contract no longer exists (that is, out of business).

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.



May I take a withdrawal from my 403(b) retirement plan contract? (cont.)

- My contract is non-grandfathered:
 - Employer or third-party administrator (TPA) approval is required on all loans and withdrawals except for death claim processing.

What is a 90–24 transfer?

- Transfer of funds from one 403(b)/tax-sheltered annuity (TSA) contract to another 403(b)/TSA contract.

Whose signature or approval is required?

- In addition to the owner, an authorized signer from the TPA or employer needs to approve or sign off on requests related to non-grandfathered contracts.

How do I take the withdrawal?

- Most withdrawals require a written submission request. Our withdrawal request forms can be located online within the Forms Library.
- If your contract is grandfathered and we have the Special Tax Information Notice on file (see the Tax Requirements section below for more information), you may be eligible to take the withdrawal over the phone.

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.



What are the tax requirements?

If you have a 403(b)/TSA contract, there is a mandatory withholding of 20% for federal taxes from any withdrawal or rollover if you take receipt of funds.

- Minimum state withholding also may be mandatory.

Are there any exceptions to the tax requirements?

Yes. Exceptions to the mandatory 20% federal withholding include the following:

- Direct rollovers—when funds go directly from one financial institution to another.
- Free looks—when a contract recently issued is canceled.
- Hardship—when a financial hardship as defined by the IRS has occurred.
- Substantially equal periodic payments—when taking mandatory systematic withdrawals after beginning distributions prior to the attainment of age 59½.
- Divorce case direct transfer—when funds are distributed due to a divorce case being processed.
- Excess contribution return—when funds are removed because you contributed more than allowed.
- Required minimum distributions (RMDs) —when funds are dispersed to meet the IRS required distribution.

> What are the tax requirements? (cont.)

What is the Special Tax Information Notice?

- Provides required consent for the Special Tax Information Notice (402(f)) on your transfer or rollover, which describes taxation and rollover eligibility for distributions from employer plans, specifically 403(b)/TSA contracts at Pacific Life.
- The signed form must be on file to take a distribution from your contract unless the distribution is for RMDs or due to hardship.
- The Special Tax Information Notice and Special Tax Information Form can be obtained on the Pacific Life website within the Forms Library or by calling customer service.
 - In lieu of the the signed form, Pacific Life also will accept acknowledgment of the Special Tax Information Notice by checking box 10A on the Variable Annuity Withdrawal Request form or section 9A on the Fixed Annuity Withdrawal Request form.

> How do I take my required minimum distribution (RMD)?

Whose signature is required?

- The owner's signature is required for a withdrawal.
- The employer/TPA's signature is not required for required minimum distributions.

What are the tax requirements?

- Required minimum distributions are exempt from the mandatory 20% federal withholding tax. You can elect not to withhold any taxes or specify an amount (subject to the federal minimum of 10% and any applicable state minimums if withheld).

Is the Special Tax Information Notice required?

- No, the signed form need not be on file to take a required minimum distribution.

For more information, please contact customer service:

Pacific Life Customer Service
(800) 722-4448 • Fax (888) 837-8172

Pacific Life & Annuity Company Customer Service
(For New York Contracts Only)
(800) 748-6907 • Fax (800) 586-0096

Or go online to your Pacific Life Client Login to view your account information.
<https://annuities.myaccount.pacificlife.com/home/misc/client-login.html>

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