

charles
SCHWAB

Schwab Retirement Income Variable Annuity[®] Prospectus

Detailed information about the
Schwab Retirement Income
Variable Annuity

For New York residents only

May 1, 2018

Issued by Pacific Life & Annuity Company

Own your tomorrow[®]

Contents

Section 1

Schwab Retirement Income Variable Annuity Prospectus

Section 2

Pacific Life Privacy Notice

Schwab Retirement Income Variable Annuity is an individual flexible premium deferred variable annuity contract issued by Pacific Life & Annuity Company (“PL&A”) through Separate Account A of PL&A.

The Contracts are sold exclusively by investment professionals including independent contractors and their employees of Charles Schwab & Co., Inc. (“Schwab”) (“Schwab investment professionals”). In this Prospectus, *you* and *your* mean the Contract Owner or Policyholder. *Pacific Life & Annuity, PL&A, we, us* and *our* refer to Pacific Life & Annuity Company. *Pacific Life, PL and administrator* means Pacific Life Insurance Company. *Contract* means a Schwab Retirement Income Variable Annuity contract, unless we state otherwise. Schwab is not affiliated with Pacific Life Insurance Company or Pacific Life & Annuity Company.

This Prospectus provides information you should know before buying a Contract. Please read the Prospectus carefully, and keep it for future reference.

Here’s a list of all the Investment Options currently available under your Contract; the Variable Investment Options are listed according to the underlying Funds:

VARIABLE INVESTMENT OPTIONS

Schwab Annuity Portfolios

Schwab VIT Balanced Portfolio

Schwab VIT Balanced with Growth Portfolio

Schwab VIT Growth Portfolio

You will find more information about the Contract and Separate Account A in the Statement of Additional Information (SAI) dated May 1, 2018. The SAI has been filed with the Securities and Exchange Commission (SEC) and is considered to be part of this Prospectus because it’s incorporated by reference. The contents of the SAI are described in this Prospectus after The General Account section – **see the Table of Contents**. You can get a copy of the SAI without charge by calling or writing to PL&A. You can also visit the SEC’s website at www.sec.gov, which contains the SAI, material incorporated into this Prospectus by reference, and other information about registrants that file electronically with the SEC.

This Contract is not available in all states. This Prospectus is not an offer in any state or jurisdiction where we are not legally permitted to offer the Contract. The Contract is described in detail in this Prospectus and its SAI. A Fund is described in its Prospectus and its SAI. No one has the right to describe the Contract or a Fund any differently than they have been described in these documents.

You should be aware that the SEC has not approved or disapproved of the securities or passed upon the accuracy or adequacy of the disclosure in this Prospectus. Any representation to the contrary is a criminal offense.

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. PL&A, its distributors and their 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.

This Contract is not a deposit or obligation of, or guaranteed or endorsed by, any bank. It’s not federally insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, or any other government agency. Investment in a Contract involves risk, including possible loss of principal.

YOUR GUIDE TO THIS PROSPECTUS

Terms Used in This Prospectus	5	General Information	30
Overview	7	Guaranteed Lifetime Withdrawal Benefit (Single)	31
Your Investment Options	14	Guaranteed Lifetime Withdrawal Benefit (Joint)	35
Purchasing Your Contract	15	Pacific Life & Annuity, Pacific Life, and the Separate Account	39
How to Apply for Your Contract	15	Federal Tax Issues	39
Making Your Investments (“Purchase Payments”)	15	Taxation of Annuities - General Provisions	40
How Your Purchase Payments Are Allocated	16	Non-Qualified Contracts - General Rules	40
Choosing Your Investment Options	16	Impact of Federal Income Taxes	43
Investing in Variable Investment Options	16	Taxes on Pacific Life & Annuity Company	43
When Your Purchase Payment is Effective	17	Qualified Contracts - General Rules	43
Transfers and Market-timing Restrictions	17	IRAs and Qualified Plans	45
Systematic Transfer Option	18	Additional Information	47
Charges, Fees and Deductions	18	Voting Rights	47
Mortality and Expense Risk Charge	18	Changes to Your Contract	47
Administrative Fee	19	Changes to All Contracts	48
Optional Rider Charges	19	Inquiries and Submitting Forms and Requests	49
Premium Taxes	20	Telephone and Electronic Transactions	49
Waivers and Reduced Charges	20	Electronic Information Consent	50
Fund Expenses	20	Timing of Payments and Transactions	50
Annuitization	20	Confirmations, Statements and Other Reports to Contract Owners	50
Selecting Your Annuitant	20	Cybersecurity	51
Annuitization	21	Distribution Arrangements	51
Choosing Your Annuity Date	21	Replacement of Life Insurance or Annuities	51
Default Annuity Date and Options	21	Financial Statements	52
Choosing Your Annuity Option	22	The General Account	52
Your Annuity Payments	23	Contents of the Statement of Additional Information	53
Death Benefits and Optional Death Benefit Riders	23	Appendix A: Guaranteed Lifetime Withdrawal Benefit (Single) Sample Calculations	54
Death Benefits	23	Appendix B: Guaranteed Lifetime Withdrawal Benefit (Joint) Sample Calculations	60
<i>Return of Purchase Payments Death Benefit</i>	25	Appendix C: Return of Purchase Payments Death Benefit and Stepped-Up Death Benefit Sample Calculations	67
<i>Stepped-Up Death Benefit</i>	26	Financial Highlights (Condensed Financial Information)	73
Withdrawals	28	Where To Go For More Information	Back Cover
Optional Withdrawals	28		
Tax Consequences of Withdrawals	29		
Right to Cancel (“Free Look”)	30		
Optional Living Benefit Riders	30		

TERMS USED IN THIS PROSPECTUS

Some of the terms we've used in this Prospectus may be new to you. We've identified them in the Prospectus by capitalizing the first letter of each word. You will find an explanation of what they mean below.

If you have any questions, please ask your Schwab investment professional if you are working with one, or call a Schwab Annuity Specialist at (888) 311-4887. You can reach PL&A directly at (800) 748-6907 or, if you are a Schwab investment professional, please call PL&A at (800) 610-4823.

Account Value – The amount of your Contract Value allocated to a specified Variable Investment Option.

Annuitant – A person on whose life annuity payments may be determined. An Annuitant's life may also be used to determine certain increases in death benefits, and to determine the Annuity Date. A Contract may name a single ("sole") Annuitant or two ("Joint") Annuitants, and may also name a "Contingent" Annuitant. If you name Joint Annuitants or a Contingent Annuitant, "the Annuitant" means the sole surviving Annuitant, unless otherwise stated.

Annuity Date – The date specified in your Contract, or the date you later elect, if any, for the start of annuity payments if the Annuitant (or Joint Annuitants) is (or are) still living and your Contract is in force; or if earlier, the date that annuity payments actually begin.

Annuity Option – Any one of the income options available for a series of payments after your Annuity Date.

Beneficiary – A person who may have a right to receive the death benefit payable upon the death of the Annuitant or a Contract Owner prior to the Annuity Date, or may have a right to receive remaining guaranteed annuity payments, if any, if the Annuitant dies after the Annuity Date.

Business Day – Any day on which the value of an amount invested in a Variable Investment Option is required to be determined, which currently includes each day that the New York Stock Exchange is open for trading, an applicable underlying Fund Portfolio is open for trading, and our administrative offices are open. The New York Stock Exchange and our administrative offices are closed on weekends and on the following holidays: New Year's Day, Martin Luther King Jr. Day, President's Day, Good Friday, Memorial Day, July Fourth, Labor Day, Thanksgiving Day and Christmas Day, and the Friday before New Year's Day, July Fourth or Christmas Day if that holiday falls on a Saturday, the Monday following New Year's Day, July Fourth or Christmas Day if that holiday falls on a Sunday, unless unusual business conditions exist, such as the ending of a monthly or yearly accounting period. An underlying Fund Portfolio may be closed when other federal holidays are observed such as Columbus Day and Veterans Day. See the underlying Fund Portfolio prospectus. In this Prospectus, "day" or "date" means Business Day unless otherwise specified. If any transaction or event called for under a Contract is scheduled to occur on a day that is not a Business Day, such transaction or event will be deemed to occur on the next following Business

Day unless otherwise specified. Any systematic pre-authorized transaction scheduled to occur on December 30 or December 31 where that day is not a Business Day will be deemed an order for the last Business Day of the calendar year and will be calculated using the applicable Subaccount Unit Value at the close of that Business Day. Special circumstances such as leap years and months with fewer than 31 days are discussed in the SAI.

Code – The Internal Revenue Code of 1986, as amended.

Contingent Annuitant – A person, if named in your Contract, who will become your sole surviving Annuitant if your existing sole Annuitant should die before your Annuity Date.

Contract Anniversary – The same date, in each subsequent year, as your Contract Date.

Contract Date – The date we issue your Contract. Contract Years, Contract Anniversaries, Contract Semi-Annual Periods, Contract Quarters and Contract Months are measured from this date.

Contract Owner, Owner, Policyholder, you, or your – Generally, a person who purchases a Contract and makes the Investments. A Contract Owner has all rights in the Contract, including the right to make withdrawals, designate and change beneficiaries, transfer amounts among Investment Options, and designate an Annuity Option. If your Contract names Joint Owners, both Joint Owners are Contract Owners and share all such rights.

Contract Value – As of the end of any Business Day, the sum of your Variable Account Value.

Contract Year – A year that starts on the Contract Date or on a Contract Anniversary.

Earnings – As of the end of any Business Day, your Earnings equal your Contract Value less your aggregate Purchase Payments, which are reduced by withdrawals of prior Investments.

Fund – A registered open-end management investment company; collectively refers to Schwab Annuity Portfolios.

General Account – Our General Account consists of all of our assets other than those assets allocated to Separate Account A or to any of our other separate accounts.

In Proper Form – This is the standard we apply when we determine whether an instruction is satisfactory to us. An instruction (in writing or by other means that we accept (e.g. via telephone or electronic submission)) is considered to be in proper form if it is received at our Service Center in a manner that is satisfactory to us, such that is sufficiently complete and clear so that we do not have to exercise any discretion to follow the instruction, including any information and supporting legal documentation necessary to effect the transaction. Any forms that we provide will identify any necessary supporting documentation. We may, in our sole discretion, determine whether any particular transaction request is in proper form, and we reserve the right to change or waive any in proper form requirements at any time.

Investment (“Purchase Payment”) – An amount paid to us by or on behalf of a Contract Owner as consideration for the benefits provided under the Contract.

Investment Option – A Subaccount or any other Investment Option added to the Contract by Rider or Endorsement.

Joint Annuitant – If your Contract is a Non-Qualified Contract, you may name two Annuitants, called “Joint Annuitants,” in your application for your Contract. Special restrictions may apply for Qualified Contracts.

Non-Natural Owner – A corporation, trust or other entity that is not a (natural) person.

Non-Qualified Contract – A Contract other than a Qualified Contract.

Policyholder – The Contract Owner.

Portfolio – A separate portfolio of a Fund in which a Subaccount invests its assets.

Primary Annuitant – The individual that is named in your Contract, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the Contract.

Purchase Payment (“Investment”) – An amount paid to us by or on behalf of a Contract Owner as consideration for the benefits provided under the Contract.

Qualified Contract – A Contract that qualifies under the Code as an individual retirement annuity or account (IRA), or form thereof, or a Contract purchased by a Qualified Plan, qualifying for special tax treatment under the Code.

Qualified Plan – A retirement plan that receives favorable tax treatment under Section 401, 408 or 408A of the Code.

SEC – Securities and Exchange Commission.

Separate Account A (the “Separate Account”) – A separate account of ours registered as a unit investment trust under the Investment Company Act of 1940, as amended (the “1940 Act”).

Subaccount – An investment division of the Separate Account. Each Subaccount invests its assets in shares of a corresponding Portfolio.

Subaccount Unit – Before your Annuity Date, each time you allocate an amount to a Subaccount, your Contract is credited with a number of Subaccount Units in that Subaccount. These Units are used for accounting purposes to measure your Account Value in that Subaccount. The value of Subaccount Units is expected to fluctuate daily, as described in the definition of Unit Value.

Unit Value – The value of a Subaccount Unit (“Subaccount Unit Value”). Unit Value of any Subaccount is subject to change on any Business Day in much the same way that the value of a mutual fund share changes each day. The fluctuations in value reflect the investment results, expenses of and charges against the Portfolio in which the Subaccount invests its assets. Fluctuations also reflect charges against the Separate Account. Unit Value of a Subaccount Unit on any Business Day is measured as of the close of the New York Stock Exchange on that Business Day, which usually closes at 4:00 p.m., Eastern time, although it occasionally closes earlier.

Variable Account Value – The aggregate amount of your Contract Value allocated to all Subaccounts.

Variable Investment Option – A Subaccount (also called a Variable Account.)

OVERVIEW

This overview tells you some key things you should know about your Contract. It's designed as a summary only – please read this Prospectus, your Contract and the Statement of Additional Information (SAI) for more detailed information.

Rules about how annuity contracts are described or administered are reflected in your Contract and in Riders or Endorsements to your Contract. This prospectus provides a description of the material rights and obligations under the Contract. **Any guarantees provided for under your Contract or through optional Riders are backed by PL&A's financial strength and claims-paying ability. You must look to the strength of the insurance company with regard to such guarantees. Schwab is not responsible for any Contract guarantees.**

Some of the Terms used in this Prospectus may be new to you. You will find a glossary of certain terms in the **TERMS USED IN THIS PROSPECTUS** section.

PL&A is a variable annuity provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.

Contract Basics

An annuity contract may be appropriate if you are looking for retirement income or you want to meet other long-term financial objectives. Discuss with your Schwab investment professional whether a variable annuity, optional benefits and which underlying Investment Options are appropriate for you, taking into consideration your age, income, net worth, tax status, insurance needs, financial objectives, investment goals, liquidity needs, time horizon, risk tolerance and other relevant information. Together you can decide if a variable annuity is right for you.

This Contract may not be the right one for you if you need to withdraw money for short-term needs, because tax penalties for early withdrawal may apply.

You should consider the Contract's investment and income benefits, as well as its costs.

This Contract is an annuity contract between you and PL&A. Annuity contracts have two phases, the accumulation phase and the annuitization phase. The two phases are discussed below.

This Contract is designed for long-term financial planning. It allows you to invest money on a tax-deferred basis for retirement or other goals, and/or to receive income in a variety of ways, including a series of income payments for life or for a specified period of years.

Non-Qualified and Qualified Contracts are available. You buy a Qualified Contract under a qualified retirement or pension plan, or some form of an individual retirement annuity or account (IRA). It is important to know that IRAs and qualified plans are already tax-deferred which means the tax deferral feature of a variable annuity does not provide a benefit in addition to that already offered by an IRA or qualified plan. An annuity contract should only be used to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral.

This Contract is a variable annuity, which means that your Contract Value fluctuates depending on the performance of the Investment Options you choose. The Contract allows you to choose how often you make Investments ("Purchase Payments") and how much you add each time, subject to certain limitations.

Your Right to Cancel ("Free Look")

During the Free Look period, you have the right to cancel your Contract and return it with instructions to us or to your Schwab investment professional for a refund. The amount refunded may be more or less than the Purchase Payments you have made, depending on the type of Contract you purchased. You will find a complete description of the Free Look period that applies to your Contract on the Contract's cover sheet. The Free Look period ends 10 calendar days after you receive your Contract. If you are replacing another annuity contract or life insurance policy, your Free Look period ends 60 calendar days after you receive your Contract.

*For more information about the Right to Cancel ("Free Look") period see **WITHDRAWALS – Right to Cancel ("Free Look")**.*

The Accumulation Phase

The Investment Options you choose and how they perform will affect your Contract Value during the accumulation phase, as well as the amount available to annuitize on the Annuity Date.

The accumulation phase begins on your Contract Date and continues until your Annuity Date. During the accumulation phase, you can put money in your Contract by making Purchase Payments subject to certain limitations, and choose Investment Options in which to allocate them. You can also take money out of your Contract by making a withdrawal.

Investments (“Purchase Payments”)

Your initial Purchase Payment must be at least \$50,000 for a Non-Qualified Contract or a Qualified Contract. Additional Purchase Payments must be at least \$250 for a Non-Qualified Contract and \$50 for a Qualified Contract. Currently, we are not enforcing the minimum additional Purchase Payment amounts on Qualified and Non-Qualified Contracts, but we reserve the right to enforce such minimums in the future. We will provide at least a 30 calendar day prior notice before we enforce the minimum initial Purchase Payment or the minimum additional Purchase Payment amounts.

*For more information about Making Your Investments (“Purchase Payments”) see **PURCHASING YOUR CONTRACT – Making Your Investments (“Purchase Payments”)**.*

Investment Options

Ask your Schwab investment professional to help you choose the right Investment Options for your goals and risk tolerance. Schwab or the Schwab investment professional you engage to provide advice and/or make transfers for you is not acting on our behalf. PL&A is not responsible for any investment decisions or allocations you make, recommendations such Schwab investment professionals make or any allocations or specific transfers they choose to make on your behalf.

You can choose from a selection of Variable Investment Options (also called Subaccounts), each of which invests in a corresponding Fund Portfolio. The value of each Portfolio will fluctuate with the value of the investments it holds, and returns are not guaranteed.

We allocate your Purchase Payments to the Investment Options you choose. Your Contract Value will fluctuate during the accumulation phase depending on the Investment Options you have chosen. You bear the investment risk of any Variable Investment Options you choose.

*For more information about the Investment Options and the corresponding Investment Adviser see **YOUR INVESTMENT OPTIONS – Your Variable Investment Options**.*

Transferring Among Investment Options

Transfers are allowed 30 calendar days after the Contract Date. Currently, we are not enforcing this restriction but we reserve the right to enforce it in the future. Once your Purchase Payments are allocated to the Investment Options you selected, you may transfer your Account Value from any Investment Option to any other Investment Option until your Annuity Date without paying any current income tax. Transfers are limited to 25 for each calendar year. Transfers made under any systematic transfer program are excluded from these limitations.

Transfers to or from a Variable Investment Option cannot be made before the seventh calendar day following the last transfer to or from the same Variable Investment Option. If the seventh calendar day is not a Business Day, then a transfer may not occur until the next Business Day. The day of the last transfer is not considered a calendar day for purposes of meeting this requirement.

*For more information about transfers and transfer limitations see **HOW YOUR PURCHASE PAYMENTS ARE ALLOCATED – Transfers and Market-timing Restrictions**.*

Withdrawals

You can make full and partial withdrawals to supplement your income or for other purposes. There is no withdrawal charge.

In general, you may have to pay income taxes on withdrawals or other distributions from your Contract. If you are under age 59½, a 10% federal tax penalty may also apply to taxable withdrawals.

*For more information about withdrawals and withdrawal minimums see **WITHDRAWALS – Optional Withdrawals**.*

The Annuitization Phase

The annuitization phase of your Contract begins on your Annuity Date. Generally, you can choose to surrender your Contract and receive a single payment or you can annuitize your Contract and receive a series of income payments over a fixed period or for life.

These annuity payments will be fixed. You can choose monthly, quarterly, semi-annual or annual payments. We will make the income payments to you or your designated payee. The Owner is responsible for any tax consequences of any annuity payments.

*For more information about annuitization see **ANNUITIZATION** and for annuity options available under the Contract see **ANNUITIZATION – Choosing Your Annuity Option – Annuity Options**.*

The Death Benefit

Generally, the Contract provides a death payout upon the first death of an Owner or the death of the sole surviving Annuitant, whichever occurs first, during the accumulation phase. Death benefit proceeds are payable when we receive proof of death and payment instructions In Proper Form. To whom we pay a death benefit depends on who dies first and the type of Contract you own.

The Contract (without taking into account any optional death benefit riders) also provides a Death Benefit Amount (see the *Death Benefit Amount* subsection in **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS**).

For more information about the death benefit see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS - Death Benefits**.

Optional Riders

Optional Riders are subject to availability (including state availability) and may be discontinued for purchase at anytime without prior notice. Before purchasing any optional Rider, make sure you understand all of the terms and conditions and consult with your Schwab investment professional for advice on whether an optional Rider is appropriate for you. Your election to purchase an optional Rider must be received In Proper Form. Any guarantees provided through optional riders are backed by the financial strength and claims-paying ability of PL&A. You must look to the strength of the insurance company with regard to such guarantees. Schwab is not responsible for any optional Rider guarantees.

If an optional death benefit rider is purchased, you may not purchase a Guaranteed Minimum Withdrawal Benefit Rider (Single or Joint).

Return of Purchase Payments Death Benefit

This optional Rider offers you the ability to have your Death Benefit Amount be the greater of the Contract Value or the Total Adjusted Purchase Payments as of the Notice Date. The Notice Date is the Business Day on which we receive, In Proper Form, proof of death and instructions regarding payment of any death benefit proceeds. There is a reset to the benefits provided under the Rider when certain owner changes are made (see the *Owner Change* subsection of the Rider for more information). You may not purchase this Rider after the Contract Date.

For more information about the Return of Purchase Payments Death Benefit see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS – Return of Purchase Payments Death Benefit**.

Stepped-Up Death Benefit

This optional Rider offers you the ability to lock in market gains for your beneficiaries with a stepped-up death benefit, which is the highest Contract Value on any previous Contract Anniversary (prior to the oldest Owner or Annuitant's 81st birthday) adjusted for additional Purchase Payments and withdrawals. There is a reset to the benefits provided under the Rider when certain owner changes are made (see the *Owner Change* subsection of the Rider for more information). You may not purchase this Rider after the Contract Date.

For more information about the Stepped-Up Death Benefit see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS – Stepped-Up Death Benefit**.

Optional Living Benefit Riders

Living benefit riders available through this Contract, for an additional cost, are categorized as guaranteed minimum withdrawal benefit riders. The following is a list (which may change from time to time) of riders currently available:

Guaranteed Minimum Withdrawal Benefit

- Guaranteed Lifetime Withdrawal Benefit (Single)
- Guaranteed Lifetime Withdrawal Benefit (Joint)

The guaranteed minimum withdrawal benefit riders focus on providing an income stream for life through withdrawals during the accumulation phase, if certain conditions are met. The riders have the same basic structure with differences in the percentage that may be withdrawn each year, how long the withdrawals may last (for example, for a single life or for joint lives), and what age lifetime withdrawals may begin, if applicable. The riders also offer the potential to lock in market gains on each Contract Anniversary which may increase the annual amount you may withdraw each year under the rider. The riders provide an income stream regardless of market performance, even if your Contract Value is reduced to zero.

Additional Information Applicable to Optional Living Benefit Riders

You may purchase an optional Rider at anytime (if available). Your election to purchase an optional Rider must be received In Proper Form.

You can find more information about the costs associated with the optional riders within the next few pages and in the **CHARGES, FEES AND DEDUCTIONS – Optional Rider Charges** section. You can find complete information about each optional rider and its key features and benefits in the **OPTIONAL LIVING BENEFIT RIDERS** section.

At initial purchase and during the entire time that you own an optional living benefit Rider, you must invest your entire Contract Value in an asset allocation program or in Investment Options we make available for these Riders. The allocation limitations associated with these Riders may limit the number of Investment Options that are otherwise available to you under your Contract. See **OPTIONAL LIVING BENEFIT RIDERS – General Information – Investment Allocation Requirements**. Failure to adhere to the Investment Allocation Requirements may cause your Rider to terminate. **We reserve the right to add, remove or change asset**

allocation programs or Investment Options we make available for these Riders at any time. We may make such a change due to a fund reorganization, fund substitution, to help protect our ability to provide the guarantees under these riders (for example, changes in an underlying portfolio's investment objective and principal investment strategies, or changes in general market conditions), or otherwise. Generally, a change to an existing allowable Investment Option will not require you to reallocate or transfer the total amount of Contract Value allocated to an affected Investment Option, except when an underlying portfolio is liquidated by a determination of its Board of Directors or by a fund substitution. If a change is required that will result in a reallocation or transfer of an existing Investment Option, we will provide you with reasonable notice (generally 90 calendar days) prior to the effective date of such change to allow you to reallocate your Contract Value to maintain your rider benefits. **If you do not reallocate your Contract Value your rider will terminate.**

Distributions made due to a request for partial annuitization, divorce instructions or under Code Section 72(t)/72(q) (substantially equal periodic payments) are treated as withdrawals for Contract purposes and may adversely affect Rider benefits.

Taking a withdrawal before a certain age or a withdrawal that is greater than the annual withdrawal amount ("excess withdrawal") under a particular Rider may result in adverse consequences such as a permanent reduction in Rider benefits or the failure to receive lifetime withdrawals under a Rider. If you would like to make an excess withdrawal and are uncertain how an excess withdrawal will reduce your future guaranteed withdrawal amounts, then you may contact us prior to requesting the withdrawal to obtain a personalized, transaction specific calculation showing the effect of the excess withdrawal.

Schwab may limit you from purchasing some optional Riders based upon your age or other factors. You should work with your Schwab investment professional to decide whether an optional Rider is appropriate for you.

Work with your Schwab investment professional to review the different riders available for purchase, how they function, how the riders differ from one another, and to understand all of the terms and conditions of an optional rider prior to purchase.

Fees and Expenses

This section of the overview explains the fees and expenses that you will pay when buying, owning and surrendering your Contract.

Contract Transaction Expenses

There are no front-end sales charges or withdrawal charges. Premium taxes and/or other taxes may apply to your Contract. We generally charge state premium taxes and/or other taxes when you annuitize your Contract, but there are other times when we charge them to your Contract instead. Please see your Contract for details.

Periodic Expenses

The following describes the fees and expenses that you will pay periodically during the time you own your Contract not including Portfolio fees and expenses.

Separate Account A Annual Expenses (as a percentage of the average daily Variable Account Value¹):

	Without any Death Benefit Rider	With Return of Purchase Payments Death Benefit Rider Only	With Stepped-Up Death Benefit Rider Only
• Mortality and Expense Risk Charge ²	0.35%	0.35%	0.35%
• Administrative Fee ²	0.25%	0.25%	0.25%
• Death Benefit Rider Charge ^{2, 3}	N/A	<u>0.20%</u>	<u>0.40%</u>
• Total Separate Account A Annual Expenses	<u>0.60%</u>	<u>0.80%</u>	<u>1.00%</u>

The Mortality and Expense Risk Charge and the Administrative Fee will not continue after the Annuity Date. For more information about these charges, please see the **CHARGES, FEES AND DEDUCTIONS - Mortality and Expense Risk Charge and Administrative Fee** sections.

Optional Rider⁴ Annual Expenses:

	Current Charge Percentage	Maximum Charge Percentage
<i>Guaranteed Minimum Withdrawal Benefit</i>		
Guaranteed Lifetime Withdrawal Benefit (Single) ⁵	0.80%	1.50%
Guaranteed Lifetime Withdrawal Benefit (Joint) ⁵	1.00%	1.75%

¹ The Variable Account Value is the value of your Variable Investment Options on any Business Day.

² This is an annual rate and is assessed on a daily basis. The daily rate is calculated by dividing the annual rate by 365.

³ If you buy an optional death benefit rider, we will add this charge to the Mortality and Expense Risk Charge until, and including, your Annuity Date. Only one death benefit rider may be owned or in effect at the same time.

⁴ Only one guaranteed minimum withdrawal benefit rider may be owned or in effect at the same time.

⁵ If you buy Guaranteed Lifetime Withdrawal Benefit (Single) or (Joint), the annual charge is deducted from your Contract Value on a quarterly basis. The quarterly charge is the current charge percentage (divided by 4) multiplied by the Protected Payment Base. On the Rider Effective Date, the Protected Payment Base is equal to the initial Purchase Payment if purchased at Contract issue or, if purchased after Contract issue, the Contract Value as of the Rider Effective Date. For a complete explanation of the Protected Payment Base, see the **OPTIONAL LIVING BENEFIT RIDERS – Guaranteed Lifetime Withdrawal Benefit (Single) or (Joint)**. The quarterly amount deducted may increase or decrease due to changes in your Protected Payment Base. Your Protected Payment Base may increase due to additional Purchase Payments, decrease due to withdrawals or also change due to Resets. After the Rider Effective Date, we deduct the charge proportionately from your Investment Options every 3 month anniversary of your Contract Date, during the term of the Rider and while the Rider is in effect, and when the Rider is terminated. Under the Single version, we will waive the annual charge if the Rider terminates as a result of the death of an Owner or sole surviving Annuitant, upon full annuitization of your Contract, or if your Contract Value is zero. Under the Joint version, we will waive the annual charge if the Rider terminates as a result of the death of the surviving Designated Life, upon full annuitization of your Contract, or if your Contract Value is zero. Upon full annuitization, the annual charge is only waived for the quarter that annuitization occurs. If the Rider terminates as a result of death, any annual charge deducted between the date of death and the Notice Date will be prorated as applicable to the date of death and added to the Contract Value on the Notice Date. See **CHARGES, FEES, AND DEDUCTIONS – Optional Rider Charges**.

Total Annual Fund Operating Expenses

For more about the underlying Funds see **YOUR INVESTMENT OPTIONS – Your Variable Investment Options**, and see each underlying Fund Prospectus.

This table shows the minimum and maximum total annual operating expenses incurred by the Portfolios that you indirectly pay during the time you own the Contract. This table shows the range (minimum and maximum) of fees and expenses (including management fees, shareholder servicing and/or distribution (12b-1) fees, and other expenses) charged by any of the Portfolios, expressed as an annual percentage of average daily net assets. The amounts are based on expenses paid in the year ended December 31, 2017, adjusted to reflect anticipated changes in fees and expenses, or, for new Portfolios, are based on estimates for the current fiscal year.

Each Variable Account of the Separate Account purchases shares of the corresponding Fund Portfolio at net asset value. The net asset value reflects the investment advisory fees and other expenses that are deducted from the assets of the Portfolio. The advisory fees and other expenses are not fixed or specified under the terms of the Contract, and they may vary from year to year. These fees and expenses are described in each Fund Prospectus.

	<u>Minimum</u>	<u>Maximum</u>
Range of total annual portfolio operating expenses <u>before</u> any waivers or expense reimbursements	0.60%	0.66%
Range of total annual portfolio operating expenses <u>after</u> any waivers or expense reimbursements	0.60%	0.66%

To help limit Fund expenses, Charles Schwab Investment Management, Inc. contractually agreed to reduce investment advisory fees or otherwise reimburse certain Portfolios of their respective Funds which may reduce the Portfolio's expenses. The range of expenses in the first row above does not include the effect of any waiver and/or expense reimbursement arrangement. The range of expenses in the second row above includes the effect of Fund waiver and/or expense reimbursement arrangements that are in effect. The waiver and/or reimbursement arrangements vary in length. There can be no assurance that Fund expense waivers or reimbursements will be extended beyond their current terms as outlined in each Fund prospectus, and they may not cover certain expenses such as extraordinary expenses. **See each Fund prospectus for complete information regarding annual operating expenses and any waivers or reimbursements in effect for a particular Fund.**

Examples

The following examples are intended to help you compare the cost of investing in your Contract with the cost of investing in other variable annuity contracts. The maximum amounts reflected below include the maximum periodic Contract expenses, Contract Transaction Expenses, Separate Account annual expenses and the Portfolio with the highest fees and expenses for the year ended December 31, 2017. The maximum amounts also include the combination of optional Riders whose cumulative maximum charge expenses totaled more than any other optional Rider combination. The optional Rider included is Guaranteed Lifetime Withdrawal Benefit (Joint). The minimum amounts reflected below include the minimum periodic Contract expenses, Separate Account annual expenses and the Portfolio with the lowest fees and expenses for the year ended December 31, 2017. The minimum amounts do not include any optional Riders.

The examples assume that you invest \$10,000 in the Contract for the time periods indicated. They also assume that your Purchase Payment has a 5% return each year and assumes the maximum and minimum fees and expenses of all of the Investment Options available. Although your actual costs may be higher or lower, based on these assumptions, your maximum and minimum costs would be:

- If you surrendered, annuitized, or left your money in your Contract:

	1 Year	3 Years	5 Years	10 Years
Maximum	\$303	\$918	\$1,543	\$3,161
Minimum	\$122	\$381	\$660	\$1,455

In calculating the examples above, we used the maximum and minimum total operating expenses of all the Portfolios as shown in the **Fees And Expenses** section of each Fund Prospectus. For more information on Contract fees and expenses, see **CHARGES, FEES AND DEDUCTIONS** in this Prospectus, and see each Fund Prospectus. See the **FINANCIAL HIGHLIGHTS (Condensed Financial Information)** appendix in this Prospectus for condensed financial information about the Subaccounts.

YOUR INVESTMENT OPTIONS

Work with your Schwab investment professional to help you choose the right Investment Options for your investment goals and risk tolerance.

You may choose among the different Variable Investment Options.

Your Variable Investment Options

Each Variable Investment Option invests in a separate Fund Portfolio. For your convenience, the following chart summarizes some basic data about each Portfolio. **This chart is only a summary. For more complete information on each Portfolio, including a discussion of the Portfolio's investment techniques and the risks associated with its investments, see the applicable Fund Prospectus. No assurance can be given that a Portfolio will achieve its investment objective. YOU SHOULD READ EACH FUND PROSPECTUS CAREFULLY BEFORE INVESTING.**

SCHWAB ANNUITY PORTFOLIOS	INVESTMENT GOAL	MANAGER
Schwab VIT Balanced Portfolio	Seeks long-term capital appreciation and income.	Charles Schwab Investment Management, Inc.
Schwab VIT Balanced with Growth Portfolio	Seeks long-term capital appreciation and income.	Charles Schwab Investment Management, Inc.
Schwab VIT Growth Portfolio	Seeks long-term capital appreciation.	Charles Schwab Investment Management, Inc.

The Investment Adviser

Charles Schwab Investment Management, Inc. ("CSIM") is the investment adviser for the Schwab Annuity Portfolios. CSIM is a subsidiary of the Charles Schwab Corporation and an affiliate of Schwab. CSIM manages the Schwab Funds[®], Laudus Funds, and the Schwab ETFs including certain ETFs in which the Schwab Annuity Portfolios will invest.

PURCHASING YOUR CONTRACT

How to Apply for Your Contract

To purchase a Contract, you must work with your Schwab investment professional to fill out an application and submit it along with your initial Purchase Payment to Pacific Life & Annuity Company at P.O. Box 2736, Omaha, Nebraska 68103-2736. In those instances when we receive electronic transmission of the information on the application from Schwab and our administrative procedures with Schwab so provide, we consider the application to be received on the Business Day we receive the transmission. If your application and Purchase Payment are complete when received, or once they have become complete, we will issue your Contract within 2 Business Days. If some information is missing from your application, we may delay issuing your Contract while we obtain the missing information. However, we will not hold your initial Purchase Payment for more than 5 Business Days without your permission. In any case, we will not hold your initial Purchase Payment after 20 Business Days.

You may also purchase a Contract by exchanging your existing annuity. Call your Schwab investment professional if you are working with one, or call a Schwab Annuity Specialist at (888) 311-4887. You can reach PL&A directly at (800) 748-6907 or, if you are a Schwab investment professional, please call PL&A at (800) 610-4823.

We reserve the right to reject any application or Purchase Payment for any reason, subject to any applicable nondiscrimination laws and to our own standards and guidelines. On your application, you must provide us with a valid U.S. tax identification number for federal, state, and local tax reporting purposes.

The maximum age of a Contract Owner/Annuitant, including Joint Owners/Annuitants and Contingent Annuitants, for which a Contract will be issued is 90. The Contract Owner's age is calculated as of his or her last birthday. If any Contract Owner or any sole Annuitant named in the application for a Contract dies and we are notified of the death before we issue the Contract, then we will return the amount we received. If we issue the Contract and are subsequently notified after issuance that the death occurred prior to issue, then the application for the Contract and/or any Contract issued will be deemed cancelled and a refund will be issued. The refund amount will be the Contract Value based upon the next determined Accumulated Unit Value (AUV) after we receive proof of death, In Proper Form, of the Contract Owner or Annuitant, plus a refund of any amount used to pay premium taxes and/or any other taxes. Any refunded assets may be subject to probate.

Making Your Investments ("Purchase Payments")

Making Your Initial Purchase Payment

Your initial Purchase Payment must be at least \$50,000 for Non-Qualified or Qualified Contracts. For Non-Qualified Contracts, if the entire minimum initial Purchase Payment is not included when you submit your application, you must establish a pre-authorized investment program. A pre-authorized investment program allows you to pay the remainder of the required initial Purchase Payment in equal installments over the first Contract Year. Further requirements for the pre-authorized investment program are discussed in the Pre-Authorized Investment Request form.

You must obtain our consent before making an initial or additional Purchase Payment that will bring your aggregate Purchase Payments over \$1,000,000.

Making Additional Purchase Payments

If your Contract is Non-Qualified, you may choose to invest additional amounts in your Contract at any time. If your Contract is Qualified, the method of contribution and contribution limits may be restricted by the Qualified Plan or the Internal Revenue Code ("the Code"). Each additional Purchase Payment must be at least \$250 for a Non-Qualified Contract and \$50 for a Qualified Contract. Currently, we are not enforcing the minimum additional Purchase Payment amounts but we reserve the right to enforce the minimum additional Purchase Payment amounts in the future. We will provide at least a 30 calendar day prior notice before we enforce the minimum additional Purchase Payment amounts. Additional Purchase Payments will be allocated according to the instructions we have on file unless we receive specific allocation instructions.

Forms of Purchase Payment

Your initial and additional Purchase Payments may be sent by personal or bank check or by wire transfer. Purchase Payments must be made in a form acceptable to us before we can process it. Acceptable forms of Purchase Payments are:

- personal checks or cashier's checks drawn on a U.S. bank,
- money orders and traveler's checks in single denominations of more than \$10,000 if they originate in a U.S. bank,
- third party payments when there is a clear connection of the third party to the underlying transaction, and
- wire transfers that originate in U.S. banks.

We will not accept Purchase Payments in the following forms:

- cash,
- credit cards or checks drawn against a credit card account,

- money orders or traveler’s checks in single denominations of \$10,000 or less,
- starter checks,
- home equity checks,
- eChecks,
- cashier’s checks, money orders, traveler’s checks or personal checks drawn on non-U.S. banks, even if the payment may be effected through a U.S. bank,
- third party payments if there is not a clear connection of the third party to the underlying transaction, and
- wire transfers that originate from foreign bank accounts.

All unacceptable forms of Purchase Payments will be returned to the payor along with a letter of explanation. We reserve the right to reject or accept any form of payment. Any unacceptable Purchase Payment inadvertently invested may be returned and the amount returned may be more or less than the amount submitted. If you make Purchase Payments by check other than a cashier’s check, your payment of any withdrawal proceeds and any refund during the “Right to Cancel” period may be delayed until we receive confirmation in our Annuities administrative office that your check has cleared.

HOW YOUR PURCHASE PAYMENTS ARE ALLOCATED

Choosing Your Investment Options

You may allocate your Purchase Payments among any of the available Investment Options. Allocations of your initial Purchase Payment to the Investment Options you selected will be effective on your Contract Date. Each additional Purchase Payment will be allocated to the Investment Options according to your allocation instructions in your application, or most recent instructions, if any, subject to the terms described in **WITHDRAWALS – Right to Cancel (“Free Look”)**. We reserve the right to require that your allocation to any particular Investment Option must be at least \$500. We also reserve the right (with prior written notice) to transfer any remaining Account Value that is not at least \$500 to your other Investment Options on a pro rata basis relative to your most recent allocation instructions.

If your Contract is issued in exchange for another annuity contract or a life insurance policy, our administrative procedures may vary.

Investing in Variable Investment Options

Each time you allocate your Purchase Payment to a Variable Investment Option, your Contract is credited with a number of “Subaccount Units” in that Subaccount. The number of Subaccount Units credited is equal to the amount you have allocated to that Subaccount, divided by the “Unit Value” of one Unit of that Subaccount.

Example: You allocate \$600 to Subaccount A. At the end of the Business Day on which your allocation is effective, the value of one Unit in Subaccount A is \$15. As a result, 40 Subaccount Units are credited to your Contract for your \$600 ($\$600 / \$15 = 40$).

Your Variable Account Value Will Change

After we credit your Contract with Subaccount Units, the value of those Units will usually fluctuate. This means that, from time to time, your Purchase Payments allocated to the Variable Investment Options may be worth more or less than the original Purchase Payments to which those amounts can be attributed. Fluctuations in Subaccount Unit Value will not change the number of Units credited to your Contract.

Subaccount Unit Values will vary in accordance with the investment performance of the corresponding Portfolio. For example, the value of Units in Subaccount A will change to reflect the performance of the corresponding Portfolio (including that Portfolio’s investment income, its capital gains and losses, and its expenses). Subaccount Unit Values are also adjusted to reflect the Administrative Fee and applicable Risk Charge imposed on the Separate Account.

We calculate the value of all Subaccount Units on each Business Day.

Calculating Subaccount Unit Values

We calculate the Unit Value of the Subaccount Units in each Variable Investment Option at the close of the New York Stock Exchange which usually closes at 4:00 p.m. Eastern Time on each Business Day. At the end of each Business Day, the Unit Value for a Subaccount is equal to:

$$Y \times Z$$

where (Y) = the Unit Value for that Subaccount as of the end of the preceding Business Day; and

(Z) = the Net Investment Factor for that Subaccount for the period (a “valuation period”) between that Business Day and the immediately preceding Business Day.

The “Net Investment Factor” for a Subaccount for any valuation period is equal to:

$$(A \div B) - C$$

where (A) = the “per share value of the assets” of that Subaccount as of the end of that valuation period, which is equal to: $a + b + c$

(a) = the net asset value per share of the corresponding Portfolio shares held by that Subaccount as of the end of that valuation period;

(b) = the per share amount of any dividend or capital gain distributions made by each Fund for that Portfolio during that valuation period; and

(c) = any per share charge (a negative number) or credit (a positive number) for any income taxes and/or any other taxes or other amounts set aside during that valuation period as a reserve for any income and/or any other taxes which we determine to have resulted from the operations of the Subaccount or Contract, and/or any taxes attributable, directly or indirectly, to Purchase Payments;

(B) = the net asset value per share of the corresponding Portfolio shares held by the Subaccount as of the end of the preceding valuation period; and

(C) = a factor that assesses against the Subaccount net assets for each calendar day in the valuation period the Risk Charge plus the Administrative Fee and any applicable increase in the Risk Charge (see **CHARGES, FEES AND DEDUCTIONS**).

The Subaccount Unit Value may increase or decrease from one valuation period to another. For Subaccount Unit Values please go to <http://www.annuities.pacificlife.com/myschwab/home.html>.

When Your Purchase Payment is Effective

Your initial Purchase Payment is effective on the Business Day we issue your Contract. Any additional Purchase Payment is effective on the Business Day we receive it In Proper Form. See **ADDITIONAL INFORMATION – Inquiries and Submitting Forms and Requests**.

The day your Purchase Payment is effective determines the Unit Value at which Subaccount Units are attributed to your Contract. In the case of transfers or withdrawals, the effective day determines the Unit Value at which affected Subaccount Units are debited and/or credited under your Contract. That Unit Value is the value of the Subaccount Units next calculated after your transaction is effective. Your Variable Account Value begins to reflect the investment performance results of your new allocations on the day after your transaction is effective.

Transfers and Market-timing Restrictions

Transfers

Transfers are allowed 30 calendar days after the Contract Date. Currently, we are not enforcing this restriction but we reserve the right to enforce it in the future. We will provide at least a 30 calendar day prior notice before we enforce the 30 calendar day waiting period after the Contract Date. Once your Purchase Payments are allocated to the Investment Options you selected, you may transfer your Account Value from any Investment Option to any other Investment Option. Transfers are limited to 25 for each calendar year.

Transfers to or from a Variable Investment Option cannot be made before the seventh calendar day following the last transfer to or from the same Variable Investment Option. If the seventh calendar day is not a Business Day, then a transfer may not occur until the next Business Day. The day of the last transfer is not considered a calendar day for purposes of meeting this requirement. For example, if you make a transfer into the Schwab VIT Growth Variable Investment Option on Monday, you may not make any transfers to or from that Variable Investment Option before the following Monday.

For the purpose of applying the limitations, multiple transfers that occur on the same calendar day are considered 1 transfer. Transfers that occur as a result of the portfolio rebalancing program are excluded from these limitations. Also, allocations of Purchase Payments are not subject to these limitations.

If you have used all 25 transfers available to you in a calendar year, you may no longer make transfers between the Investment Options until the start of the next calendar year.

There are no exceptions to the above transfer limitations in the absence of an error by us, a substitution of Investment Options, or reorganization of underlying Portfolios, or other extraordinary circumstances.

If we deny a transfer request, we will notify your Schwab investment professional via telephone. If you (or your Schwab investment professional) request a transfer via telephone that exceeds the above limitations, we will notify you (or your Schwab investment professional) immediately.

Transfer requests are generally effective on the Business Day we receive them In Proper Form, unless you request a systematic transfer program with a future date.

We have the right, at our option (unless otherwise required by law), to require certain minimums in the future in connection with transfers. These may include a minimum transfer amount and a minimum Account Value, if any, for the Investment Option from which the transfer is made or to which the transfer is made. If your transfer request results in your having a remaining Account Value

in an Investment Option that is less than \$500 immediately after such transfer, we may (with prior written notice) transfer that Account Value to your other Investment Options on a pro rata basis, relative to your most recent allocation instructions.

We reserve the right (unless otherwise required by law) to limit the size of transfers, to restrict transfers, to require that you submit any transfer requests in writing, to suspend transfers, and to impose further limits on the number and frequency of transfers you can make. We also reserve the right to reject any transfer request. Any policy we may establish with regard to the exercise of any of these rights will be applied uniformly to all Contract Owners.

Market-timing Restrictions

The Contract is not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the market. Accordingly, organizations or individuals that use market-timing investment strategies and make frequent transfers should not purchase the Contract. Such frequent trading can disrupt management of the underlying Portfolios and raise expenses. The transfer limitations set forth above are intended to reduce frequent trading. In addition, we monitor certain large transaction activity in an attempt to detect trading that may be disruptive to the Portfolios. In the event transfer activity is found to be disruptive, certain future transactions by such Contract Owners, or by a Schwab investment professional or other party acting on behalf of one or more Contract Owners, will require preclearance. Frequent trading and large transactions that are disruptive to Portfolio management can have an adverse effect on Portfolio performance and therefore your Contract's performance. Such trading may also cause dilution in the value of the Investment Options held by long-term Contract Owners. While these issues can occur in connection with any of the underlying Portfolios, Portfolios holding securities that are subject to market pricing inefficiencies are more susceptible to abuse. For example, Portfolios holding international securities may be more susceptible to time-zone arbitrage which seeks to take advantage of pricing discrepancies occurring between the time of the closing of the market on which the security is traded and the time of pricing of the Portfolios.

Our policies and procedures which limit the number and frequency of transfers and which may impose preclearance requirements on certain large transactions are applied uniformly to all Contract Owners. However, there is a risk that these policies and procedures will not detect all potentially disruptive activity or will otherwise prove ineffective in whole or in part. Further, we and our affiliates make available to our variable annuity and variable life insurance Contract Owners underlying funds not affiliated with us. We are unable to monitor or restrict the trading activity with respect to shares of such funds not sold in connection with our Contracts. In the event the Board of Trustees/Directors of any underlying fund imposes a redemption fee or trading (transfer) limitations, we will pass them on to you.

We reserve the right to restrict, in our sole discretion and without prior notice, transfers initiated by a market timing organization or individual or other party authorized to give transfer instructions on behalf of multiple Contract Owners. Such restrictions could include:

- not accepting transfer instructions from a Schwab investment professional acting on behalf of more than one Contract Owner, and
- not accepting preauthorized transfer forms from market timers or other entities acting on behalf of more than one Contract Owner at a time.

We further reserve the right to impose, with 30 calendar days advance written notice, restrictions on transfers that we determine, in our sole discretion, will disadvantage or potentially hurt the rights or interests of other Contract Owners; or to comply with any applicable federal and state laws, rules and regulations.

Systematic Transfer Option

We offer one systematic transfer option: portfolio rebalancing. There is no charge for this option and transfers under this option are not counted towards your total transfers in a calendar year. Work with your Schwab investment professional prior to electing portfolio rebalancing.

Portfolio Rebalancing

You may instruct us to maintain a specific balance of Variable Investment Options under your Contract (e.g. 30% in Subaccount A, 40% in Subaccount B, and 30% in Subaccount C). Periodically, we will "rebalance" your values in the elected Subaccounts to the percentages you have specified. Rebalancing may result in transferring amounts from a Subaccount earning a relatively higher return to one earning a relatively lower return. You may choose to have rebalances made quarterly, semi-annually or annually until your Annuity Date. Only Variable Investment Options are available for rebalancing. Detailed information appears in the SAI.

CHARGES, FEES AND DEDUCTIONS

Mortality and Expense Risk Charge

We assess a charge against the assets of each Subaccount to compensate for certain mortality and expense risks that we assume under the Contract (the "Risk Charge"). The risk that an Annuitant will live longer (and therefore receive more annuity payments) than we predict through our actuarial calculations at the time the Contract is issued is "mortality risk." The risk that the expense charges and fees under the Contract and Separate Account are less than our actual administrative and operating expenses is called "expense risk."

This Risk Charge is assessed daily at an annual rate equal to 0.35% of each Subaccount's assets.

The Risk Charge will stop at the Annuity Date (the charge will be assessed on the Annuity Date then discontinued thereafter).

We will realize a gain if the Risk Charge exceeds our actual cost of expenses and benefits, and will suffer a loss if such actual costs exceed the Risk Charge. Any gain will become part of our General Account. We may use it for any reason, including covering sales expenses on the Contracts.

Increase in Risk Charge if an Optional Death Benefit Rider is Purchased

We increase your Risk Charge by an annual rate equal to 0.20% of each Subaccount's assets if you purchase the Return of Purchase Payments Death Benefit. The total Risk Charge annual rate will be 0.55% if the Return of Purchase Payments Death Benefit is purchased. Any increase in your Risk Charge will not continue after the Annuity Date.

We increase your Risk Charge by an annual rate equal to 0.40% of each Subaccount's assets if you purchase the Stepped-Up Death Benefit. The total Risk Charge annual rate will be 0.75% if the Stepped-Up Death Benefit is purchased. Any increase in your Risk Charge will not continue after the Annuity Date.

The Return of Purchase Payments Death Benefit and the Stepped-Up Death Benefit cannot be owned or in effect at the same time.

See **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS – Death Benefits.**

Administrative Fee

We charge an Administrative Fee as compensation for costs we incur in operating the Separate Account, issuing and administering the Contracts, including processing applications and payments, and issuing reports to you and to regulatory authorities.

The Administrative Fee is assessed daily at an annual rate equal to 0.25% of the assets of each Subaccount. This rate is guaranteed not to increase for the life of your Contract. A correlation will not necessarily exist between the actual administrative expenses attributable to a particular Contract and the Administrative Fee paid in respect of that particular Contract. We do not intend to realize a profit from this fee. The Administrative Fee will stop at the Annuity Date (the charge will be assessed on the Annuity Date then discontinued thereafter).

Optional Rider Charges

If you purchase an optional Rider listed in the table below, we will deduct an annual charge from your Investment Options on a proportionate basis. Deductions against your Variable Investment Options are made by debiting some of the Subaccount Units previously credited to your Contract.

Following the Rider Effective Date, the charge is deducted every 3 month anniversary of your Contract Date ("Quarterly Contract Anniversary"). The Rider charge will be deducted while the Rider remains in effect and when the Rider terminates. The charge is deducted in arrears each Quarterly Contract Anniversary. If a Rider is purchased on a date other than a Quarterly Contract Anniversary, the Rider charge will be prorated the first time the charge is deducted.

If your Rider terminates on a Quarterly Contract Anniversary, the entire charge for the prior quarter will be deducted from the Contract Value on that anniversary. If the Rider terminates prior to a Quarterly Contract Anniversary, we will prorate the charge based on the Protected Payment Base as of the day the Rider terminates. Such prorated amount will be deducted from the Contract Value on the earlier of the day the Contract terminates or on the Quarterly Contract Anniversary immediately following the day the Rider terminates.

If you make a full withdrawal of the amount available for withdrawal during a Contract Year, we will deduct the charge from the final payment made to you.

An optional Rider annual charge percentage may change if a Reset occurs under the Rider provisions. However, the annual charge percentage will not exceed the maximum annual charge percentage (indicated in the table below) for the applicable Rider. You may elect to opt-out of a Reset and your annual charge percentage will remain the same as it was before the Reset. If an Automatic Reset never occurs, the annual charge percentage established on the Rider Effective Date is guaranteed not to change. You can find more information about Protected Payment Base and Automatic Resets for each applicable rider in the **OPTIONAL LIVING BENEFIT RIDERS** section.

Annual Charge Percentage Table

Optional Rider	Current Annual Charge Percentage	Maximum Annual Charge Percentage Under the Rider	To determine the amount to be deducted, the Annual Charge Percentage is multiplied by the:	The Charge is deducted on each:
Guaranteed Lifetime Withdrawal Benefit (Single)	0.80%	1.50%	Protected Payment Base	Quarterly Contract Anniversary
Guaranteed Lifetime Withdrawal Benefit (Joint)	1.00%	1.75%	Protected Payment Base	Quarterly Contract Anniversary

See **Mortality and Expense Risk Charge** for the Stepped-Up Death Benefit and Return of Purchase Payments Death Benefit charge information.

Premium Taxes

A tax may be imposed on your Purchase Payments (“premium tax”) at the time your Purchase Payment is made, at the time of a partial or full withdrawal, at the time any death benefit proceeds are paid, at annuitization or at such other time as taxes may be imposed. Currently, the state of New York does not impose premium taxes on the sale of this type of product. However, future changes in facts or state law may require premium tax charges. Tax rates ranging from 0% to 3.5% are currently in effect, but may also change in the future. Premium tax is charged according to the rate determined by your state of residence at the time of annuitization.

If we pay any premium taxes attributable to Purchase Payments, we will impose a similar charge against your Contract Value. We normally will charge you when you annuitize some or all of your Contract Value. We reserve the right to impose this charge for applicable premium taxes and/or other taxes when you make a full or partial withdrawal, at the time any death benefit proceeds are paid, or when those taxes are incurred. For these purposes, “premium taxes” include any state or local premium or retaliatory taxes and any federal, state or local income, excise, business or any other type of tax (or component thereof) measured by or based upon, directly or indirectly, the amount of Purchase Payments we have received. We currently base this charge on your Contract Value, but we reserve the right to base this charge on the transaction amount, the aggregate amount of Purchase Payments we receive under your Contract, or any other amount, that in our sole discretion we deem appropriately reimburses us for premium taxes paid on this Contract.

We may also charge the Separate Account or your Contract Value for taxes attributable to the Separate Account or the Contract, including income taxes attributable to the Separate Account or to our operations with respect to the Contract, or taxes attributable, directly or indirectly, to Purchase Payments. Any such charge deducted from the Contract Value will be deducted on a proportionate basis. See **HOW YOUR PURCHASE PAYMENTS ARE ALLOCATED – Investing in Variable Investment Options – Calculating Subaccount Unit Values** to see how such charges are deducted from the Separate Account. **Currently, we do not impose any such charges.**

Waivers and Reduced Charges

We may agree to waive or reduce charges under our Contracts, in situations where selling and/or maintenance costs associated with the Contracts are reduced, such as the sale of several Contracts to the same Contract Owner(s), sales of large Contracts, sales of Contracts in connection with a group or sponsored arrangement or mass transactions over multiple Contracts.

We will only waive or reduce such charges or credit additional amounts on any Contract where expenses associated with the sale or distribution of the Contract and/or costs associated with administering and maintaining the Contract are reduced. Any additional amounts will be added to the Contract when we apply Purchase Payments. We reserve the right to terminate waiver, reduced charge and crediting programs at any time, including for issued Contracts.

With respect to additional amounts as described above, in most states you may not receive any amount credited if you return your Contract during the Free Look period as described under **WITHDRAWALS – Right to Cancel (“Free Look”)**.

Fund Expenses

Your Variable Account Value reflects advisory fees, any service and distribution (12b-1) fees, and other expenses incurred by the various Fund Portfolios, net of any applicable reductions and/or reimbursements. These fees and expenses may vary. Each Fund is governed by its own Board of Trustees, and your Contract does not fix or specify the level of expenses of any Portfolio. A Fund’s fees and expenses are described in detail in the applicable Fund Prospectus and SAI.

Some Investment Options available to you are “fund of funds”. A fund of funds portfolio is a fund that invests in other funds in addition to other investments that the portfolio may make. Expenses of fund of funds Investment Options may be higher than non fund of funds Investment Options due to the two tiered level of expenses. See the Fund prospectuses for detailed portfolio expenses and other information before investing.

ANNUITIZATION

Selecting Your Annuitant

When you submit your Contract application, you must choose a sole Annuitant or Joint Annuitants. If you are buying a Qualified Contract, you must be the sole Annuitant. If you are buying a Non-Qualified Contract you may choose yourself and/or another person as Annuitant. If you do not have Joint Annuitants, you may choose a Contingent Annuitant. The Contingent Annuitant will not impact any Contract benefits, including death benefit proceeds, until becoming the sole surviving Annuitant. You will not be able to add or change a sole or Joint Annuitant after your Contract is issued. However, if you are buying a Qualified Contract, you may add a Joint Annuitant on the Annuity Date. You will be able to add or change a Contingent Annuitant until your Annuity Date or the death of your sole Annuitant or both Joint Annuitants, whichever occurs first. However, once your Contingent Annuitant has become the Annuitant under your Contract, no additional Contingent Annuitant may be named. No Annuitant (Primary, Joint or Contingent) may be named upon or after reaching his or her 91st birthday. We reserve the right to require proof of age or survival of the Annuitant(s).

Annuitization

Annuitization occurs on the Annuity Date when you convert your Contract from the accumulation phase to the annuitization (income) phase. You may choose both your Annuity Date and your Annuity Option. At the Annuity Date, you may elect to annuitize some or all of your Contract Value, less any applicable charge for premium taxes and/or other taxes, (the “Conversion Amount”), as long as such Conversion Amount annuitized is at least \$2,000. We will send the annuity payments to the payee that you designate.

If you annuitize only a portion of this available Contract Value, you may have the remainder distributed, less any applicable charge for premium taxes and/or other taxes, and any optional Rider charge. This option of distribution may or may not be available, or may be available for only certain types of Contracts. Any such distribution will be made to you in a single sum if the remaining Conversion Amount is less than \$2,000 on your Annuity Date. Distributions under your Contract may have tax consequences. You should consult a qualified tax advisor for information on full or partial annuitization.

If you annuitize only a portion of your Contract Value on your Annuity Date, you may, at that time, have the option to elect not to have the remainder of your Contract Value distributed, but instead to continue your Contract with that remaining Contract Value (a “continuing Contract”). If this option is available, you would then choose a second Annuity Date for your continuing Contract, and all references in this Prospectus to your “Annuity Date” would, in connection with your continuing Contract, be deemed to refer to that second Annuity Date. The second Annuity Date may not be later than the date specified in the **Choosing Your Annuity Date** section of this Prospectus. This option may not be available, or may be available only for certain types of Contracts. You should be aware that some or all of the payments received before the second Annuity Date may be fully taxable. We recommend that you contact a qualified tax advisor for more information if you are interested in this option.

Distributions made due to a request for partial annuitization are treated as withdrawals for Contract purposes and may adversely affect optional Rider benefits. Work with your Schwab investment professional prior to requesting partial annuitization.

Choosing Your Annuity Date

You should choose your Annuity Date when you submit your application or we will apply a default Annuity Date to your Contract. You may change your Annuity Date by notifying us, In Proper Form, at least ten Business Days prior to the earlier of your current Annuity Date or your new Annuity Date. Your Annuity Date cannot be earlier than your first Contract Anniversary. Adverse federal tax consequences may result if you choose an Annuity Date that is prior to an Owner’s attained age 59½. See **FEDERAL TAX ISSUES**.

If you have a sole Annuitant, your Annuity Date must occur on or before the later of the sole Annuitant’s 90th birthday or the 10th Contract Anniversary. If you have Joint Annuitants, your Annuity Date must occur on or before the later of your younger Joint Annuitant’s 90th birthday or the 10th Contract Anniversary. Different requirements may apply as required by the Code. *We may, at our sole discretion, allow you to extend your Annuity Date. We reserve the right, at any time, to not offer any extension to your Annuity Date regardless of whether we may have granted any extensions to you or to any others in the past.*

If your Contract is a Qualified Contract, you may also be subject to additional restrictions. In order to meet the Code minimum distribution rules, your Required Minimum Distributions (RMDs) may begin earlier than your Annuity Date. For instance, under Section 401 of the Code (for Qualified Plans) and Section 408 of the Code (for IRAs), the entire interest under the Contract must be distributed to the Owner/Annuitant not later than the Owner/Annuitant’s Required Beginning Date (“RBD”), or distributions over the life of the Owner/Annuitant (or the Owner/Annuitant and his or her Beneficiary) must begin no later than the RBD. For more information see **FEDERAL TAX ISSUES**.

Default Annuity Date and Options

If you have a Non-Qualified Contract and you do not choose an Annuity Date when you submit your application, your Annuity Date will be the later of your Annuitant’s 90th birthday or the 10th Contract Anniversary. In the case of Joint Annuitants, your Annuity Date will be the later of the younger Joint Annuitant’s 90th birthday or the 10th Contract Anniversary. If you have a Qualified Contract and you do not choose an Annuity Date when you submit your application, your Annuity Date will be the later of your Annuitant’s 90th birthday or the 10th Contract Anniversary. Certain Qualified Contracts may require distributions to occur at an earlier age.

If you have not specified an Annuity Option or do not instruct us otherwise, at your Annuity Date your Contract Value, less any charges for premium taxes and/or other taxes, will be annuitized (if this net amount is at least \$2,000) and the net amount from your Variable Account Value will be converted into a fixed dollar annuity.

Additionally:

- If you have a Non-Qualified Contract, your default Annuity Option will be **Life with a ten year Period Certain**.
- If you have a Qualified Contract, your default Annuity Option will be **Life with a five year Period Certain** or a shorter period certain as may be required by federal regulation. If you are married, different requirements may apply. Please contact your plan administrator for further information, if applicable.
- If the net amount is less than \$2,000, the entire amount will be distributed in one lump sum.

Choosing Your Annuity Option

You should carefully review the Annuity Options with a qualified tax advisor, and, for Qualified Contracts, reference should be made to the terms of the particular plan and the requirements of the Code for pertinent limitations regarding annuity payments, Required Minimum Distributions (“RMDs”), and other matters.

You may make 2 basic decisions about your annuity payments. First, you may choose the form of annuity payments (see *Annuity Options* below). Second, you may decide how often you want annuity payments to be made (the “frequency” of the payments). You may not change these selections after the Annuity Date.

Fixed Payments

You will receive fixed annuity payments, there are no variable annuity payments available. Fixed annuity payments are based on a fixed rate and the Annuity 2000 Mortality Table with the ages set back 10 years. Each periodic annuity payment will be equal to the initial annuity payment, unless you select a Joint and Survivor Life annuity with reduced survivor payments when the Primary Annuitant dies. Any net amount you convert to fixed annuity payments will be held in our General Account.

Annuity Options

Four Annuity Options are currently available under the Contract, although additional options may become available in the future. For other Annuity Options available through optional riders, see the **OPTIONAL LIVING BENEFIT RIDERS** section.

1. *Life Only*. Periodic payments are made to the designated payee during the Annuitant’s lifetime. Payments stop when the Annuitant dies.
2. *Life with Period Certain*. Periodic payments are made to the designated payee during the Annuitant’s lifetime, with payments guaranteed for a specified period. You may choose to have payments guaranteed from 5 through 30 years (in full years only). The guaranteed period may be limited on Qualified Contracts based on your life expectancy.

If a Life with Period Certain annuity option provides for payments of the same amount for different Periods Certain at some ages, we will assume that your selection was for the longest Period Certain available for your age.

3. *Joint and Survivor Life*. Periodic payments are made to the designated payee during the lifetime of the Primary Annuitant. After the death of the Primary Annuitant, periodic payments will continue to be made during the lifetime of the secondary Annuitant named in the election. You may choose to have the payments during the lifetime of the surviving secondary Annuitant equal 50%, 66 2/3% or 100% of the original amount payable during the lifetime of the Primary Annuitant (you must make this election when you choose your Annuity Option). If you elect a reduced payment based on the life of the secondary Annuitant, fixed annuity payments will be equal to 50% or 66 2/3% of the original fixed payment payable during the lifetime of the Primary Annuitant. Payments stop when both Annuitants have died.
4. *Period Certain Only*. Periodic payments are made to the designated payee, guaranteed for a specified period. You may choose to have payments guaranteed from 10 through 30 years (in full years only). The guaranteed period may be limited on Qualified Contracts based on your life expectancy.

Periodic payment amounts will differ based on the Annuity Option selected. Generally, the longer the possible payment period, the lower the payment amount.

If the Annuitant dies before the guaranteed payments under Annuity Options 2 and 4 are completed, we will pay the remainder of the guaranteed payments to the first person among the following who is (1) living; or (2) an entity or corporation entitled to receive the remainder of the guaranteed payments:

- the Owner;
- the Joint Owner;
- the Beneficiary; or
- the Contingent Beneficiary.

If none are living (or if there is no entity or corporation entitled to receive the remainder of the guaranteed payments), we will pay the remainder of the guaranteed payments to the Owner’s estate.

If the Owner dies on or after the Annuity Date, but payments have not yet been completed, then distributions of the remaining amounts payable under the Contract must be made at least as rapidly as the method of distribution that was being used at the date of the Owner’s death. All of the Owner’s rights granted by the Contract will be assumed by the first among the following who is (1) living; or (2) an entity or corporation entitled to assume the Owner’s rights granted by the Contract:

- the Joint Owner;
- the Beneficiary; or
- the Contingent Beneficiary.

If none are living (or if there is no entity or corporation entitled to assume the Owner's rights granted by the Contract), all of the Owner's rights granted by the Contract will be assumed by the Owner's estate.

For Qualified Contracts, please refer to the **Choosing Your Annuity Date** section in this Prospectus. If your Contract was issued in connection with a Qualified Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), your spouse's consent may be required when you seek any distribution under your Contract, unless your Annuity Option is Joint and Survivor Life with survivor payments of at least 50%, and your spouse is your Joint Annuitant.

Your Annuity Payments

Payment Frequency

You may choose to have annuity payments made monthly, quarterly, semi-annually, or annually.

Your initial annuity payment must be at least \$20. If the initial annuity payment will be less than \$20, we may terminate the Contract and pay you the Contract Value.

Payment Amount

Your Contract contains tables that we use to determine the amount of your annuity payments, taking into consideration the annuitized portion of your Contract Value at the Annuity Date. This amount will vary, depending on the annuity period and payment frequency you select. This amount will be larger in the case of shorter Period Certain annuities and smaller for longer Period Certain annuities. Similarly, this amount will be greater for a Life Only annuity than for a Joint and Survivor Life annuity, because we will expect to make payments for a shorter period of time on a Life Only annuity. If you do not choose the Period Certain Only annuity, this amount will also vary depending on the age of the Annuitant(s) on the Annuity Date and, for some Contracts, the sex of the Annuitant(s).

The guaranteed income factors in our tables are based on an annual interest rate of 1.5% and the Annuity 2000 Mortality Table with the ages set back 10 years. Fixed annuity payments will be based on the periodic income factors in effect for your Contract on the Annuity Date which are at least the guaranteed income factors under the Contract.

DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS

Death Benefits

Death benefit proceeds may be payable before the Annuity Date on proof of the sole surviving Annuitant's death or of any Contract Owner while the Contract is in force. Any death benefit payable will be calculated on the "Notice Date", which is the day on which we receive, In Proper Form, proof of death and instructions regarding payment of death benefit proceeds. If a Contract has multiple Beneficiaries, death benefit proceeds will be calculated when we first receive proof of death and instructions, In Proper Form, from any Beneficiary. The death benefit proceeds still remaining to be paid to other Beneficiaries will fluctuate with the performance of the underlying Investment Options.

Death Benefit Proceeds

Death benefit proceeds will be payable on the Notice Date. Such proceeds will be reduced by any charge for premium taxes and/or other taxes. The death benefit proceeds may be payable in a single sum, as an Annuity Option available under the Contract, towards the purchase of any other Annuity Option we then offer, or in any other manner permitted by the Internal Revenue Service (IRS) and approved by us. The Owner's spouse may continue the Contract (see **Death Benefits – Spousal Continuation**). In addition, there may be legal requirements that limit the recipient's Annuity Options and the timing of any payments. A recipient should consult a qualified tax advisor before making a death benefit election.

The death benefit proceeds will be paid to the first among the following who is (1) living; or (2) an entity or corporation entitled to receive the death benefit proceeds, in the following order:

- Owner,
- Joint Owner,
- Beneficiary, or
- Contingent Beneficiary.

If none are living (or if there is no entity or corporation entitled to receive the death benefit proceeds), the proceeds will be payable to the Owner's Estate.

Death Benefit Amount

The Death Benefit Amount as of any Business Day before the Annuity Date is equal to the Contract Value as of that Business Day. We calculate the Death Benefit Amount as of the Notice Date and the death benefit will be paid in accordance with the Death Benefit Proceeds section above.

Spousal Continuation

Generally, a sole designated recipient who is the Owner's spouse may elect to become the Owner (and sole Annuitant if the deceased Owner had been the Annuitant) and continue the Contract until the earliest of the spouse's death, the death of the Annuitant, or the Annuity Date. The spousal continuation election must be made by the fifth anniversary of the death of the Contract Owner for Non-Qualified Contracts, or by December 31 of the calendar year in which the fifth anniversary of the Contract Owner's death falls for Qualified Contracts. On the Notice Date, if the surviving spouse is deemed to have continued the Contract, we will set the Contract Value equal to the death benefit proceeds that would have been payable to the spouse as the deemed Beneficiary/designated recipient of the death benefit proceeds.

A Joint Owner who is the designated recipient, but not the Owner's spouse, may not continue the Contract. Under IRS Guidelines, once a surviving spouse continues the Contract, the Contract may not be continued again in the event the surviving spouse remarries. If you have purchased an optional living benefit Rider, please refer to the Rider attached to your Contract to determine how any guaranteed amounts may be affected when a surviving spouse continues the Contract.

If the optional Return of Purchase Payments or Stepped-Up Death Benefit is purchased. An Add-In Amount may be added to the death benefit proceeds if the surviving spouse continues the Contract. This "Add-In Amount" is the difference between the Contract Value and the death benefit proceeds that would have been payable. The Add-In Amount will be added to the Contract Value on the Notice Date. There will not be an adjustment to the Contract Value if the Contract Value is equal to or greater than the death benefit proceeds as of the Notice Date. The Add-In Amount will be allocated among Investment Options in accordance with the current allocation instructions for the Contract and may be, under certain circumstances, considered earnings. The Add-In Amount is not treated as a new Purchase Payment.

Example: On the Notice Date, the Owner's surviving spouse elects to continue the Contract. On that date, the death benefit proceeds were \$100,000 and the Contract Value was \$85,000. Since the surviving spouse elected to continue the Contract in lieu of receiving the death benefit proceeds, we will increase the Contract Value by an Add-In Amount of \$15,000 ($\$100,000 - \$85,000 = \$15,000$). If the Contract Value on the Notice Date was \$100,000 or higher, then nothing would be added to the Contract Value.

The continuing spouse is subject to the same fees, charges and expenses applicable to the deceased Owner of the Contract.

Death of Annuitant

If a sole surviving Annuitant dies before the Annuity Date, the amount of the death benefit will be equal to the *Death Benefit Amount* as of the Notice Date and will be paid in accordance with the *Death Benefit Proceeds* section.

If there is more than one Annuitant and an Annuitant who is not an Owner dies, no death benefit proceeds will be payable (unless owned by a Non-Natural Owner). The designated sole Annuitant will then be the first living person in the following order:

- a surviving Joint Annuitant, or
- a surviving Contingent Annuitant.

Death of Owner

If an Owner dies before the sole surviving Annuitant and before the Annuity Date, the amount of the death benefit will be equal to the Death Benefit Amount as of the Notice Date and will be paid in accordance with the *Death Benefit Proceeds* section and in accordance with the federal income tax distribution at death rules discussed in the **FEDERAL TAX ISSUES** section.

Non-Natural Owner

If you are a Non-Natural Owner of a Contract other than a Contract issued under a Qualified Plan as defined in Section 401 of the Code, the Primary Annuitant will be treated as the Owner of the Contract for purposes of the *Non-Qualified Contract Distribution Rules*. If there are Joint or Contingent Annuitants, the death benefit proceeds will be payable on proof of death of the first annuitant. If there is a change in the Primary Annuitant prior to the Annuity Date, such change will be treated as the death of the Owner (however, under the terms of your Contract, you cannot change the Primary Annuitant). The Death Benefit Amount will be: (a) the Contract Value, if the Non-Natural Owner elects to maintain the Contract and reinvest the Contract Value into the contract in the same amount as immediately prior to the distribution; or (b) the Contract Value, less any charge for premium taxes and/or other taxes, if the Non-Natural Owner elects a cash distribution and will be paid in accordance with the *Death Benefits Proceeds* section and in accordance with the federal income tax distribution at death rules discussed in the **FEDERAL TAX ISSUES** section.

Non-Qualified Contract Distribution Rules

The Contract is intended to comply with all applicable provisions of Code Section 72(s) and any successor provision, as deemed necessary by us to qualify the Contract as an annuity contract for federal income tax purposes. If an Owner of a Non-Qualified Contract dies before the Annuity Date, distribution of the death benefit proceeds must begin within 1 year after the Owner's death or complete distribution within 5 years after the Owner's death. In order to satisfy this requirement, the designated recipient must receive a final lump sum payment by the 5th anniversary of the Contract Owner's death, or elect to receive an annuity for life or over a period that does not exceed the life expectancy of the designated recipient with annuity payments that start within 1 year after the Owner's death or, if permitted by the IRS, elect to receive a systematic distribution over a period not exceeding the beneficiary's life

expectancy using a method that would be acceptable for purposes of calculating the minimum distribution required under section 401(a)(9) of the Code. If an election to receive an annuity is not made within 60 calendar days of our receipt of proof, In Proper Form, of the Owner's death or, if earlier, 60 calendar days (or shorter period as we permit) prior to the 1st anniversary of the Owner's death, the option to receive annuity payments is no longer available. If a Non-Qualified Contract has Joint Owners, this requirement applies to the first Contract Owner to die.

The Owner may designate that the Beneficiary will receive death benefit proceeds through annuity payments for life or life with Period Certain. The Owner must designate the payment method in writing in a form acceptable to us. The Owner may revoke the designation only in writing and only in a form acceptable to us. Once the Owner dies, the Beneficiary cannot revoke or modify the Owner's designation.

Qualified Contract Distribution Rules

Under IRS regulations and our administrative procedures, if the Contract is owned under a Qualified Plan as defined in Sections 401, 408, or 408A of the Code and the Annuitant dies before the Required Beginning Date, the payment of any death benefit proceeds must be made to the designated recipient in accordance with one of two rules. One rule generally requires the death benefit proceeds to commence distribution by December 31 of the calendar year following the calendar year of the Annuitant's death and continue over the life of his or her Beneficiary (the "life expectancy method"). The second rule requires distribution of the entire death benefit proceeds no later than December 31 of the calendar year in which the 5th anniversary of the Annuitant's death falls (the "five-year rule"), and is only available on Contracts where the Annuitant dies *before* their RMDs have begun.

However, the life expectancy method and the five-year rule are modified if the sole primary Beneficiary is a surviving spouse. If the surviving spouse elects not to do an eligible rollover to an IRA or another existing eligible plan in his or her name, then he or she will be subject to the five-year rule. However, the surviving spouse may waive the five-year requirement and elect to take distributions over his or her life expectancy. If the surviving spouse elects to defer the commencement of required distributions beyond the 1st anniversary of the Annuitant's death, the surviving spouse may defer required distributions until the later of:

- December 31 of the year following the year the Annuitant died, or
- December 31 of the year in which the deceased Annuitant would have turned 70½.

You are responsible for monitoring distributions that must be taken to meet IRS guidelines.

If the Annuitant dies after the commencement of RMDs (except in the case of a Roth IRA when RMDs do not apply) but before the Annuitant's entire interest in the Contract (other than a Roth IRA) has been distributed, the remaining interest in the Contract must be distributed to the designated recipient at least as rapidly as under the distribution method in effect at the time of the Annuitant's death.

Return of Purchase Payments Death Benefit

This optional Rider allows you to have your Death Benefit Amount, as of the Notice Date, be the greater of the Contract Value or the Total Adjusted Purchase Payments. The Notice Date is the day on which we receive, In Proper Form, proof of death and instructions regarding payment of any death benefit proceeds. An Owner change may only be elected if the age of any new Owner is 75 years or younger on the effective date of the Owner change (see the *Owner Change* subsection below).

Purchasing the Rider

You may purchase this optional Rider at the time your application is completed and before your Contract is issued. You may not purchase this Rider after the Contract Date. This Rider may only be purchased if the age of each Owner and Annuitant is 75 or younger on the Contract Date. **If this Rider is purchased, you may not purchase any Guaranteed Minimum Withdrawal Benefit Rider (Single or Joint).**

Rider Terms

Total Adjusted Purchase Payments – The sum of all Purchase Payments made to the Contract, reduced by a Pro Rata Reduction for each prior withdrawal. This amount may be adjusted if there is an Owner change.

Pro Rata Reduction – The reduction percentage that is calculated at the time of the withdrawal by dividing the amount of each withdrawal by the Contract Value immediately prior to the withdrawal. **The reduction made, when the Contract Value is less than the sum of all Purchase Payments made into the Contract, may be greater than the actual amount withdrawn.**

How the Rider Works

If you purchase this Rider at the time your application is completed, upon the death of the sole surviving Annuitant (first Annuitant for Non-Natural Owners), or the death of any Contract Owner, prior to the Annuity Date, the death benefit proceeds will be equal to the greater of (a) or (b) below:

- (a) the Contract Value as of the Notice Date.
- (b) Total Adjusted Purchase Payments as of the Notice Date.

Owner Change

If there is an Owner change to someone other than the previous Owner's spouse, to a Trust or non-natural entity where the Owner and Annuitant are not the same person prior to the Owner change, or if an Owner is added that is not the Owner's spouse, the Total Adjusted Purchase Payments will be reset to equal the lesser of:

- the Contract Value as of the effective date of the Owner change ("Change Date"), or
- Total Adjusted Purchase Payments as of the Change Date.

After the Change Date, the Total Adjusted Purchase Payments will be increased by any Purchase Payments made after the Change Date and will be reduced by any Pro Rata Reduction for any withdrawals made after the Change Date. **An Owner change to a Trust or non-natural entity where the Owner and the Annuitant are the same person prior to the Owner change will not trigger a reset.**

Any death benefit paid under this Rider will be paid in accordance with the *Death Benefit Proceeds* subsection.

See **APPENDIX C: RETURN OF PURCHASE PAYMENTS DEATH BENEFIT AND STEPPED-UP DEATH BENEFIT SAMPLE CALCULATIONS.**

Termination

The Rider will remain in effect until the earlier of:

- the date a full withdrawal of the amount available for withdrawal is made under the Contract,
- the date death benefit proceeds become payable under the Contract (except where the spouse of the deceased Owner continues the Contract, see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS – Spousal Continuation**),
- the date the Contract is terminated in accordance with the provisions of the Contract, or
- the Annuity Date.

The Rider may not otherwise be cancelled.

Stepped-Up Death Benefit

This optional Rider offers you the ability to lock in market gains for your beneficiaries with a stepped-up death benefit, which is the highest Contract Value on any previous Contract Anniversary (prior to the oldest Owner's or Annuitant's 81st birthday) increased by the amount of additional Purchase Payments and decreased by withdrawals that you make. An Owner change may only be elected if the age of any new Owner is 75 years or younger on the effective date of the Owner change (see the *Owner Change* subsection below).

Purchasing the Rider

You may purchase this optional Rider at the time your application is completed and before your Contract is issued. You may not purchase this Rider after the Contract Date. This Rider may only be purchased if the age of each Owner and Annuitant is 75 or younger on the Contract Date. **If this Rider is purchased, you may not purchase any Guaranteed Minimum Withdrawal Benefit Rider (Single or Joint).**

Rider Terms

Death Benefit Amount – As of any Business Day prior to the Annuity Date, the Death Benefit Amount is equal to the greater of:

- (a) the Contract Value as of that day, or
- (b) Total Adjusted Purchase Payments.

Total Adjusted Purchase Payments – The sum of all Purchase Payments made to the Contract, reduced by a Pro Rata Reduction for each prior withdrawal. This amount may be adjusted if there is an Owner change.

Pro Rata Reduction – The reduction percentage that is calculated at the time of the withdrawal by dividing the amount of each withdrawal by the Contract Value immediately prior to the withdrawal. **The reduction made, when the Contract Value is less than the sum of all Purchase Payments made into the Contract, may be greater than the actual amount withdrawn.**

How the Rider Works

If you purchase this Rider at the time your application is completed, upon the death of the sole surviving Annuitant (first Annuitant for Non-Natural Owners), or the death of any Contract Owner, prior to the Annuity Date, the death benefit proceeds will be equal to the greater of (a) or (b) below:

- (a) the Death Benefit Amount as of the Notice Date.
- (b) the Guaranteed Minimum Death Benefit Amount as of the Notice Date.

The actual Guaranteed Minimum Death Benefit Amount is calculated only when death benefit proceeds become payable as a result of the death of the sole surviving Annuitant (first Annuitant for Non-Natural Owners), or the death of any Contract Owner prior to the Annuity Date and is determined as follows:

First we calculate what the Death Benefit Amount would have been as of your first Contract Anniversary and each subsequent Contract Anniversary that occurs before death benefit proceeds become payable and before the oldest Owner or Annuitant reaches his or her 81st birthday (**each of these Contract Anniversaries is a “Milestone Date”**).

We then adjust the Death Benefit Amount for each Milestone Date by:

- adding the aggregate amount of any Purchase Payments received by us since the Milestone Date, and
- subtracting a Pro Rata Reduction for each withdrawal that has occurred since that Milestone Date. **The reduction made, when the Contract Value is less than aggregate Purchase Payments made into the Contract, may be greater than the actual amount withdrawn.**

The highest of these adjusted Death Benefit Amounts for each Milestone Date, as of the Notice Date, is your Guaranteed Minimum Death Benefit Amount if you purchase this Rider. **Calculation of any actual Guaranteed Minimum Death Benefit Amount is only made once death benefit proceeds become payable under your Contract.**

Owner Change

If there is an Owner change to someone other than the previous Owner’s spouse, to a Trust or non-natural entity where the Owner and Annuitant are not the same person prior to the Owner change, or if an Owner is added that is not the Owner’s spouse, the Total Adjusted Purchase Payments will be reset to equal the lesser of:

- the Contract Value as of the effective date of the Owner change (“Change Date”), or
- Total Adjusted Purchase Payments as of the Change Date.

After the Change Date, the Total Adjusted Purchase Payments will be increased by any Purchase Payments made after the Change Date and will be reduced by any Pro Rata Reduction for any withdrawals made after the Change Date. **An Owner change to a Trust or non-natural entity where the Owner and the Annuitant are the same person prior to the Owner change will not trigger a reset.**

We calculate what the Death Benefit Amount would have been on each Contract Anniversary that occurs after the Change Date (before death benefit proceeds become payable) and before the oldest Owner or Annuitant reaches his or her 81st birthday (**each of these Contract Anniversaries is a “Milestone Date”**).

We then adjust the Death Benefit Amount for each Milestone Date by:

- adding the aggregate amount of Purchase Payments received by us since that Milestone Date, and
- subtracting a Pro Rata Reduction for each withdrawal that has occurred since that Milestone Date.

The highest of these adjusted Death Benefit Amounts for each Milestone Date, as of the Notice Date, is your Guaranteed Minimum Death Benefit Amount if you purchase this Rider. **Calculation of any actual Guaranteed Minimum Death Benefit Amount is only made once death benefit proceeds become payable under your Contract.**

Any death benefit paid under this Rider will be paid in accordance with the *Death Benefit Proceeds* subsection.

See **APPENDIX C: RETURN OF PURCHASE PAYMENTS DEATH BENEFIT AND STEPPED-UP DEATH BENEFIT SAMPLE CALCULATIONS.**

Death of Annuitant

If the sole surviving Annuitant dies:

- before the Owner,
- before the first Milestone Date, and
- before the Annuity Date,

the death benefit payable will be equal to the Death Benefit Amount (as defined in this Rider) as of the Notice Date.

If the sole surviving Annuitant dies:

- before the Owner,
- after the first Milestone Date, and
- before the Annuity Date,

the death benefit payable will be equal to the greater of the Death Benefit Amount (as defined in this Rider) and the Guaranteed Minimum Death Benefit Amount as of the Notice Date.

Death of Owner

If the Owner dies:

- before the sole surviving Annuitant,
- before the first Milestone Date, and
- before the Annuity Date,

the death benefit payable will be equal to the Death Benefit Amount (as defined in this Rider) as of the Notice Date.

If the Owner dies:

- before the sole surviving Annuitant,
- after the first Milestone Date, and
- before the Annuity Date,

the death benefit payable will be equal to the greater of the Death Benefit Amount (as defined in this Rider) and the Guaranteed Minimum Death Benefit Amount as of the Notice Date.

Termination

The Rider will remain in effect until the earlier of:

- the date a full withdrawal of the amount available for withdrawal is made under the Contract,
- the date death benefit proceeds become payable under the Contract (except where the spouse of the deceased Owner continues the Contract, see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS – Spousal Continuation**),
- the date the Contract is terminated in accordance with the provisions of the Contract, or
- the Annuity Date.

The Rider may not otherwise be cancelled.

WITHDRAWALS

Optional Withdrawals

You may, on or prior to your Annuity Date, withdraw all or a portion of the amount available under your Contract while the Annuitants are living and your Contract is in force. You may surrender your Contract and make a full withdrawal at any time after the right to cancel period. If you surrender your Contract it will be terminated as of the Effective Date of the withdrawal. Beginning 30 calendar days after your Contract Date, you also may make partial withdrawals from your Investment Options at any time. Currently, we are not requiring the 30-day waiting period on partial withdrawals, but we reserve the right to require a 30-day waiting period on partial withdrawals in the future. We will provide you at least 30 calendar days prior notice before we implement the 30-day waiting period on partial withdrawals. You may request to withdraw a specific dollar amount or a specific percentage of an Account Value or your Contract Value. You may choose to make your withdrawal from specified Investment Options. If you do not specify Investment Options, your withdrawal will be made from all of your Investment Options proportionately.

Each partial withdrawal must be for \$500 or more. Pre-authorized partial withdrawals must be at least \$250, except for pre-authorized withdrawals distributed by Electronic Funds Transfer (EFT), which must be at least \$100. If your partial withdrawal from an Investment Option would leave a remaining Account Value in that Investment Option of less than \$500, we also reserve the right, at our option and with prior written notice, to transfer that remaining amount to your other Investment Options on a proportionate basis relative to your most recent allocation instructions.

If your partial withdrawal leaves you with a Contract Value of less than \$1,000, or if your partial withdrawal request is for an amount exceeding the amount available for withdrawal, as described in the *Amount Available for Withdrawal* section below, we have the right, at our option, to terminate your Contract and send you the withdrawal proceeds. However, we will not terminate your Contract if a partial withdrawal reduces the Contract Value to an amount less than \$1,000 and there is an optional withdrawal benefit rider in effect.

Amount Available for Withdrawal

The amount available for withdrawal is your Contract Value at the end of the Business Day on which your withdrawal request is effective, less any applicable optional Rider Charges, and any charge for premium taxes and/or other taxes. The amount we send to you (your “withdrawal proceeds”) will also reflect any required or requested federal and state income tax withholding. See **FEDERAL TAX ISSUES**. If you own optional Riders, taking a withdrawal before a certain age or a withdrawal that is greater than

the allowed annual withdrawal amount under a Rider, may result in adverse consequences such as a reduction in Rider benefits or the failure to receive lifetime withdrawals under the Rider.

You assume investment risk on Purchase Payments in the Subaccounts. As a result, the amount available to you for withdrawal from any Subaccount may be more or less than the total Purchase Payments you have allocated to that Subaccount.

Pre-Authorized Withdrawals

If your Contract Value is at least \$5,000, you may select the pre-authorized withdrawal option, and you may choose monthly, quarterly, semi-annual or annual withdrawals. Currently, we are not enforcing the minimum Contract Value amount but we reserve the right to enforce the minimum amount in the future. We will provide at least a 30 calendar day prior notice before we enforce the minimum Contract Value amount. Each withdrawal must be for at least \$250, except for withdrawals distributed by Electronic Funds Transfer (EFT), which must be at least \$100. Each pre-authorized withdrawal is subject to federal income tax on its taxable portion and may be subject to a tax penalty of 10% if you have not reached age 59½. Pre-authorized withdrawals cannot be used to continue the Contract beyond the Annuity Date. See **FEDERAL TAX ISSUES**. Additional information and options are set forth in the SAI. If you have a guaranteed minimum withdrawal benefit rider in effect, pre-authorized withdrawals cannot take place on your Contract Anniversary.

Special Requirements for Withdrawals and Payments to Third Party Payees

Withdrawals may not be directed to individual third party payees. If you wish to have a full or partial withdrawal check made payable to a third-party payee that is a financial institution, trust, or charity, you must provide complete instructions and the request may require an original signature and/or signature guarantee.

Special Restrictions Under Qualified Plans

Qualified Plans may have additional rules regarding withdrawals from a Contract purchased under such a Plan. In general, if your Contract was issued under certain Qualified Plans, *you may not withdraw amounts* attributable to contributions made pursuant to a salary reduction agreement (as defined in Section 402(g)(3)(A) of the Code) *except* in cases of your:

- severance from employment,
- death,
- disability as defined in Section 72(m)(7) of the Code,
- distributions upon termination of a Qualified Plan,
- reaching age 59½, or
- hardship as defined for purposes of Section 401 of the Code.

These limitations do not affect certain rollovers or exchanges between Qualified Plans, and do not apply to rollovers from these Qualified Plans to an individual retirement account or individual retirement annuity.

Hardship withdrawals under the exception provided above are restricted to amounts attributable to salary reduction contributions, and do not include investment results. This additional restriction does not apply to salary reduction contributions made, or investment results earned, prior to dates specified in the Code.

Certain distributions, including rollovers, may be subject to mandatory withholding of 20% for federal income tax and to a tax penalty of 10% if the distribution is not transferred directly to the trustee of another Qualified Plan, or to the custodian of an individual retirement account or issuer of an individual retirement annuity. See **FEDERAL TAX ISSUES**. Distributions may also trigger withholding for state income taxes. The tax and ERISA rules relating to withdrawals from Contracts issued to Qualified Plans are complex. We are not the administrator of any Qualified Plan. You should consult your qualified tax advisor and/or your Plan Administrator before you withdraw any portion of your Contract Value.

Effective Date of Withdrawal Requests

Withdrawal requests we receive before the close of the New York Stock Exchange, which usually closes at 4:00 p.m. Eastern time, will be effective at the end of the same Business Day that we receive them In Proper Form unless the transaction or event is scheduled to occur on another Business Day. If you make Purchase Payments by check and submit a withdrawal request immediately afterwards, payment of your withdrawal proceeds may be delayed until we receive confirmation in our Annuities administrative office that your check has cleared.

Tax Consequences of Withdrawals

All withdrawals, including pre-authorized withdrawals, will generally have federal income tax consequences, which could include tax penalties. **You should consult with a qualified tax advisor before making any withdrawal or selecting the pre-authorized withdrawal option.** See **FEDERAL TAX ISSUES**.

Right to Cancel (“Free Look”)

You may return your Contract for cancellation and a refund during your Free Look period. Your Free Look period is usually the 10 calendar day period beginning on the calendar day you receive your Contract. If you are replacing another annuity contract or life insurance policy, the Free Look period ends 60 calendar days after you receive your Contract.

The amount of your refund may be more or less than the Purchase Payments you have made. If you return your Contract, it will be cancelled as of the date we receive your Contract. You will then receive a refund of your Contract Value, based upon the next determined Accumulated Unit Value (AUV) after we receive your Contract for cancellation, plus a refund of any amount that may have been deducted as Contract fees and charges, and minus any additional amount credited as described in **CHARGES, FEES AND DEDUCTIONS – Waivers and Reduced Charges**. You bear the investment risk for any additional amount credited. Your refund amount may be subject to income tax consequences, which include tax penalties. You should consult with a qualified tax advisor before cancelling your Contract for a refund.

If your Contract was issued as an IRA and you return your Contract within 7 calendar days after you receive it, we will return the greater of your Purchase Payments (less any withdrawals made) or the Contract Value.

Your Purchase Payments are allocated to the Investment Options you indicated on your application, unless otherwise required by state law. If state law requires that your Purchase Payments must be allocated to Investment Options different than you requested, we will comply with state requirements. At the end of the Free Look period, we will allocate your Purchase Payments based on your allocation instructions.

You will find a complete description of the Free Look period and amount to be refunded that applies to your Contract on the Contract’s cover page.

OPTIONAL LIVING BENEFIT RIDERS

General Information

Optional Riders are subject to availability (including state availability) and may be discontinued for purchase at anytime without prior notice. Before purchasing any optional Rider, make sure you understand all of the terms and conditions and consult with your Schwab investment professional for advice on whether an optional Rider is appropriate for you. Any guarantees provided through optional riders are backed by the financial strength and claims-paying ability of PL&A. You must look to the strength of the insurance company with regard to such guarantees. Schwab is not responsible for any optional Rider guarantees.

Living benefit riders available through this Contract, for an additional cost, are categorized as guaranteed minimum withdrawal benefit riders. The following is a list (which may change from time to time) of riders currently available:

Guaranteed Minimum Withdrawal Benefit

- Guaranteed Lifetime Withdrawal Benefit (Single)
- Guaranteed Lifetime Withdrawal Benefit (Joint)

The guaranteed minimum withdrawal benefit riders focus on providing an income stream for life through withdrawals during the accumulation phase, if certain conditions are met. The riders have the same basic structure with differences in the percentage that may be withdrawn each year, how long the withdrawals may last (for example, for a single life or for joint lives), and what age lifetime withdrawals may begin, if applicable. The riders also offer the potential to lock in market gains on each Contract Anniversary which may increase the annual amount you may withdraw each year under the rider. The riders provide an income stream regardless of market performance, even if your Contract Value is reduced to zero.

You can find complete information about each optional rider and its key features and benefits below.

You may purchase an optional Rider at anytime (if available). Your election to purchase an optional Rider must be received In Proper Form. **If an optional death benefit rider is purchased, you may not purchase a Guaranteed Minimum Withdrawal Benefit (Single or Joint).**

Distributions made due to a request for partial annuitization, divorce instructions or under Code Section 72(t)/72(q) (substantially equal periodic payments) are treated as withdrawals for Contract purposes and may adversely affect Rider benefits.

Taking a withdrawal before a certain age or a withdrawal that is greater than the annual withdrawal amount (“excess withdrawal”) under a particular Rider may result in adverse consequences such as a permanent reduction in Rider benefits or the failure to receive lifetime withdrawals under a Rider. If you would like to make an excess withdrawal and are uncertain how an excess withdrawal will reduce your future guaranteed withdrawal amounts, then you may contact us prior to requesting the withdrawal to obtain a personalized, transaction specific calculation showing the effect of the excess withdrawal.

Schwab may limit you from purchasing some optional Riders based upon your age or other factors. You should work with your Schwab investment professional to decide whether an optional Rider is appropriate for you.

Work with your Schwab investment professional to review the different riders available for purchase, how they function, how the riders differ from one another, and to understand all of the terms and conditions of an optional rider prior to purchase.

Investment Allocation Requirements

At initial purchase of an optional living benefit rider and during the entire time that you own an optional living benefit Rider, you must allocate your entire Contract Value to an asset allocation program or Investment Options we make available for these Riders. You may allocate your Contract Value 100% among allowable Investment Options. Currently, the allowable Investment Options are as follows:

Allowable Investment Options

- Schwab VIT Balanced Portfolio
- Schwab VIT Balanced with Growth Portfolio
- Schwab VIT Growth Portfolio

You may transfer your entire Contract Value between allowable Investment Options, subject to certain transfer limitations. See **HOW YOUR PURCHASE PAYMENTS ARE ALLOCATED – Transfers and Market-timing Restrictions**. Keep in mind that you must allocate your entire Contract Value among the allowable Investment Options. If you do not allocate your entire Purchase Payment or Contract Value according to the requirements above, your Rider will terminate.

Allowable Investment Options. You may allocate your entire Contract Value among any of the allowable Investment Options listed in the table above.

By adding an optional living benefit Rider to your Contract, you agree to the above referenced investment allocation requirements for the entire period that you own a Rider. These requirements may limit the number of Investment Options that are otherwise available to you under your Contract. We reserve the right to add, remove or change allowable asset allocation programs or allowable Investment Options at any time. We may make such a change due to a fund reorganization, fund substitution, to help protect our ability to provide the guarantees under these riders (for example, changes in an underlying portfolio’s investment objective and principal investment strategies, or changes in general market conditions), or otherwise. Generally, a change to an existing allowable Investment Option will not require you to reallocate or transfer the total amount of Contract Value allocated to an affected Investment Option, except when an underlying portfolio is liquidated by a determination of its Board of Directors or by a fund substitution. If a change is required that will result in a reallocation or transfer of an existing Investment Option, we will provide you with reasonable notice (generally 90 calendar days) prior to the effective date of such change to allow you to reallocate your Contract Value to maintain your rider benefits. If you do not reallocate your Contract Value your rider will terminate.

We will send you written notice in the event any transaction made by you will involuntarily cause the Rider to terminate for failure to invest according to the investment allocation requirements. However, you will have 30 calendar days starting from the date of our written notice (“30 day period”), to instruct us to take appropriate corrective action to continue participation in an allowable asset allocation program or allowable Investment Options to continue the Rider. If you take appropriate corrective action and continue the Rider, the Rider benefits and features available immediately before the terminating event will remain in effect.

Asset allocation does not guarantee future results, ensure a profit, or protect against losses. The investment allocation requirements may reduce overall volatility in investment performance, may reduce investment returns, and may reduce the likelihood that we will be required to make payments under the optional living benefit riders. The reduction in volatility permits us to more effectively provide the guarantees under the Contract.

Multiple Rider Ownership

Only one guaranteed minimum withdrawal benefit rider may be owned or in effect at the same time.

Withdrawal Benefit Rider Exchanges

Subject to availability, you may elect to exchange between Guaranteed Lifetime Withdrawal Benefit (Single) or (Joint) on any Contract Anniversary.

When you elect an exchange, you are terminating your existing Rider and purchasing a new Rider. The Initial Protected Payment Base under the new Rider will be equal to the Contract Value on that Contract Anniversary. Generally, if your Contract Value is lower than the Protected Payment Base under your existing Rider, your election to exchange from one rider to another may result in a reduction in the Protected Payment Base, and Protected Payment Amount. In other words, your existing protected balances will not carryover to the new Rider. If you elect an exchange, you will be subject to the charge and the terms and conditions for the new Rider in effect at the time of the exchange. Only one exchange may be elected each Contract Year. Work with your Schwab investment professional prior to electing an exchange.

Guaranteed Lifetime Withdrawal Benefit (Single)

(This Rider is called the Guaranteed Lifetime Withdrawal Benefit IX Rider – Single Life in the Contract’s Rider)

Purchasing the Rider

You may purchase this optional Rider if the age of each Annuitant is 85 years or younger on the date of purchase, the Contract is not issued as an Inherited IRA or Inherited Roth IRA and you allocate your entire Contract Value according to the *Investment Allocation Requirements*. **You may not purchase this Rider if you have an optional death benefit rider in effect.**

Rider Terms

Annual RMD Amount – The amount required to be distributed each Calendar Year for purposes of satisfying the minimum distribution requirements of Code Section 401(a)(9) (“Section 401(a)(9)”) and related Treasury Regulations in effect as of the Rider Effective Date.

Early Withdrawal – Any withdrawal that occurs before the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age.

Excess Withdrawal – Any withdrawal (except an RMD Withdrawal) that occurs after the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and exceeds the Protected Payment Amount.

Protected Payment Amount – The maximum amount that can be withdrawn under this Rider without reducing the Protected Payment Base. If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older, the Protected Payment Amount is equal to 5% of the Protected Payment Base, less cumulative withdrawals during that Contract Year and will be reset on each Contract Anniversary to 5% of the Protected Payment Base computed on that date. If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is younger than 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age, the Protected Payment Amount is equal to zero (0); however, once the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) reaches age 65 (59½ if the Rider Effective Date is before October 1, 2013), the Protected Payment Amount will equal 5% of the Protected Payment Base and will be reset each Contract Anniversary. The initial Protected Payment Amount will depend upon the age of the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner).

Protected Payment Base – An amount used to determine the Protected Payment Amount. The Protected Payment Base will remain unchanged except as otherwise described under the provisions of this Rider. On the Rider Effective Date, the Protected Payment Base is equal to the initial Purchase Payment if purchased at Contract issue or, if purchased after Contract issue, the Contract Value as of the Rider Effective Date.

Reset Date – Any Contract Anniversary after the Rider Effective Date on which an Automatic Reset occurs.

Rider Effective Date – The date the guarantees and charges for the Rider become effective.

You will find information about an RMD Withdrawal in the *Required Minimum Distributions* subsection and information about Automatic Resets in the *Reset of Protected Payment Base* subsection below.

How the Rider Works

Beginning at age 65 (59½ if the Rider Effective Date is before October 1, 2013), this Rider guarantees you can withdraw up to the Protected Payment Amount, regardless of market performance, until the Rider terminates. On each Contract Anniversary, the Rider provides for Automatic Annual Resets of the Protected Payment Base to an amount equal to 100% of the Contract Value if the Protected Payment Base is less than the Contract Value on that Contract Anniversary. Once the Rider is purchased, you cannot request a termination of the Rider (see the *Termination* subsection of this Rider for more information).

If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older, the Protected Payment Amount is 5% of the Protected Payment Base. If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is younger than 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age, the Protected Payment Amount is zero (0).

The Protected Payment Base may change over time. An Automatic Reset will increase the Protected Payment Base depending on the Contract Value on the Reset Date. A withdrawal that is less than or equal to the Protected Payment Amount will not change the Protected Payment Base. If a withdrawal is greater than the Protected Payment Amount and the Contract Value (less the Protected Payment Amount) is lower than the Protected Payment Base at the time of withdrawal, the Protected Payment Base will be reduced by an amount that is greater than the excess amount withdrawn. For withdrawals that are greater than the Protected Payment Amount, see the *Withdrawal of Protected Payment Amount* subsection.

Amounts withdrawn under this Rider will reduce the Contract Value by the amount withdrawn and will be subject to the same conditions, limitations, restrictions and all other fees, charges and deductions, if applicable, as withdrawals otherwise made under the provisions of the Contract. Withdrawals under this Rider are not annuity payouts. Annuity payouts generally receive a more favorable tax treatment than other withdrawals.

If your Contract is a Qualified Contract, including an IRA Contract, you are subject to restrictions on withdrawals you may take prior to a triggering event (e.g. reaching age 59½, separation from service, disability) and you should consult your tax or legal advisor prior

to purchasing this optional guarantee, the primary benefit of which is guaranteeing withdrawals. For additional information regarding withdrawals and triggering events, see **FEDERAL TAX ISSUES – IRAs and Qualified Plans**.

Withdrawal of Protected Payment Amount

When the oldest Owner (youngest Annuitant, in the case of a Non-Natural Owner) is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older, you may withdraw up to the Protected Payment Amount each Contract Year, regardless of market performance, until the Rider terminates. The Protected Payment Amount will be reduced by the amount withdrawn during the Contract Year and will be reset each Contract Anniversary to 5% of the Protected Payment Base. Any portion of the Protected Payment Amount not withdrawn during a Contract Year may not be carried over to the next Contract Year. If a withdrawal does not exceed the Protected Payment Amount immediately prior to that withdrawal, the Protected Payment Base will remain unchanged.

Withdrawals Exceeding the Protected Payment Amount. If a withdrawal (except an RMD Withdrawal) exceeds the Protected Payment Amount immediately prior to that withdrawal, we will (immediately following the withdrawal) reduce the Protected Payment Base on a proportionate basis for the amount in excess of the Protected Payment Amount. (See example 4 in **APPENDIX A** for a numerical example of the adjustments to the Protected Payment Base as a result of an Excess Withdrawal.) If a withdrawal is greater than the Protected Payment Amount and the Contract Value (less the Protected Payment Amount) is lower than the Protected Payment Base, the Protected Payment Base will be reduced by an amount that is greater than the excess amount withdrawn.

The amount available for withdrawal under the Contract must be sufficient to support any withdrawal that would otherwise exceed the Protected Payment Amount.

For information regarding taxation of withdrawals, see **FEDERAL TAX ISSUES**.

Early Withdrawal

If an Early Withdrawal occurs, we will (immediately following the Early Withdrawal) reduce the Protected Payment Base either on a proportionate basis or by the total withdrawal amount, whichever results in a lower Protected Payment Base. See example 5 in **APPENDIX A** for a numerical example of the adjustments to the Protected Payment Base as a result of an Early Withdrawal.

Required Minimum Distributions

No adjustment will be made to the Protected Payment Base as a result of a withdrawal that exceeds the Protected Payment Amount immediately prior to the withdrawal, provided:

- such withdrawal (an “RMD Withdrawal”) is for purposes of satisfying the minimum distribution requirements of Section 401(a)(9) and related Code provisions in effect at that time,
- you have authorized us to calculate and make periodic distribution of the Annual RMD Amount for the Calendar Year required based on the payment frequency you have chosen, and
- the Annual RMD Amount is based on this Contract only.

See example 6 in **APPENDIX A** for numerical examples that describe what occurs when only withdrawals of the Annual RMD Amount are made during a Contract Year and when withdrawals of the Annual RMD Amount plus other non-RMD Withdrawals are made during a Contract Year.

See **FEDERAL TAX ISSUES – Qualified Contracts – Required Minimum Distributions**.

Depletion of Contract Value

If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is younger than age 65 (59½ if the Rider Effective Date is before October 1, 2013) when the Contract Value is zero (due to withdrawals, fees, market decline, or otherwise), the Rider will terminate.

If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and the Contract Value was reduced to zero by a withdrawal that exceeds the Protected Payment Amount (excluding an RMD withdrawal), the Rider will terminate.

If the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and the Contract Value was reduced to zero by a withdrawal (including an RMD Withdrawal) that did not exceed the Protected Payment Amount, the following will apply:

- the Protected Payment Amount will be paid each year until the date of death of an Owner or the date of death of the sole surviving Annuitant (first Annuitant in the case of a Non-Natural Owner),
- the Protected Payment Amount will be paid under a series of pre-authorized withdrawals under a payment frequency as elected by the Owner, but no less frequently than annually,
- no additional Purchase Payments will be accepted under the Contract, and
- the Contract will cease to provide any death benefit.

Reset of Protected Payment Base

On and after each Reset Date, the provisions of this Rider shall apply in the same manner as they applied when the Rider was originally issued. The limitations and restrictions on Purchase Payments and withdrawals, the deduction of Rider charges and any future reset options available on and after the Reset Date, will again apply and will be measured from that Reset Date. A reset occurs when the Protected Payment Base is changed to an amount equal to the Contract Value as of the Reset Date.

Automatic Reset. On each Contract Anniversary while this Rider is in effect and before the Annuity Date, we will automatically reset the Protected Payment Base to an amount equal to 100% of the Contract Value, if the Protected Payment Base is less than the Contract Value on that Contract Anniversary. The annual charge percentage may change as a result of any Automatic Reset (see **CHARGES, FEES AND DEDUCTIONS – Optional Rider Charges**).

Automatic Reset – Opt-Out Election. Within 60 calendar days after a Contract Anniversary on which an Automatic Reset is effective, you have the option to reinstate the Protected Payment Base, Protected Payment Amount and annual charge percentage to their respective amounts immediately before the Automatic Reset. Any future Automatic Resets will continue in accordance with the **Automatic Reset** paragraph above.

If you elect this option, your opt-out election must be received, In Proper Form, within the same 60 calendar day period after the Contract Anniversary on which the reset is effective.

Subsequent Purchase Payments

If we receive additional Purchase Payments after the Rider Effective Date, we will increase the Protected Payment Base by the amount of the Purchase Payments. However, for purposes of this Rider, we reserve the right to restrict additional Purchase Payments that result in a total of all Purchase Payments received after the 1st Contract Anniversary, measured from the Rider Effective Date, to exceed \$100,000 without our prior approval.

Annuitization

If you annuitize the Contract at the maximum Annuity Date specified in your Contract and this Rider is still in effect at the time of your election and a Life Only fixed annuity option is chosen, the annuity payments will be equal to the greater of:

- the Life Only fixed annual payment amount based on the terms of your Contract, or
- the Protected Payment Amount in effect at the maximum Annuity Date.

If you annuitize the Contract at any time prior to the maximum Annuity Date specified in your Contract, your annuity payments will be determined in accordance with the terms of your Contract. The Protected Payment Base and Protected Payment Amount under this Rider will not be used in determining any annuity payments. Work with your Schwab investment professional to determine if you should annuitize your Contract before the maximum Annuity Date or stay in the accumulation phase and continue to take withdrawals under the Rider.

Continuation of Rider if Surviving Spouse Continues Contract

This Rider terminates upon the death of an Owner or sole surviving Annuitant. If the surviving spouse continues the Contract, the surviving spouse may re-purchase this Rider (if available). The existing protected balances will not carry over to the new Rider and will be based on the Contract Value at time of re-purchase.

The surviving spouse may elect to receive any death benefit proceeds instead of continuing the Contract (see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS**).

Termination

You cannot request a termination of the Rider. Except as otherwise provided below, the Rider will automatically terminate on the earliest of:

- the day any portion of the Contract Value is no longer allocated according to the *Investment Allocation Requirements* and no corrective action was taken, after written notice was provided, to comply with the requirements to continue the Rider,
- the date of death of an Owner or the date of death of the sole surviving Annuitant,
- for Contracts with a Non-Natural Owner, the date of death of any Annuitant, including Primary and Joint Annuitants,
- the day the Contract is terminated in accordance with the provisions of the Contract,
- the day we are notified of a change in ownership of the Contract to a non-spouse Owner if the Contract is Non-Qualified (excluding changes in ownership to or from certain trusts),
- the day you exchange this Rider for another withdrawal benefit Rider,
- the Annuity Date (see the *Annuitization* subsection for additional information),
- the day the Contract Value is reduced to zero as a result of a withdrawal (except an RMD Withdrawal) that exceeds the Protected Payment Amount, or

- the day the Contract Value is reduced to zero if the oldest Owner (or youngest Annuitant, in the case of a Non-Natural Owner) is younger than age 65 (59½ if the Rider Effective Date is before October 1, 2013).

See the ***Depletion of Contract Value*** subsection for situations where the Rider will not terminate when the Contract Value is reduced to zero.

Sample Calculations

Hypothetical sample calculations are in the attached **APPENDIX A**. The examples are based on certain hypothetical assumptions and are for example purposes only. These examples are not intended to serve as projections of future investment returns.

Guaranteed Lifetime Withdrawal Benefit (Joint)

(This Rider is called the Guaranteed Withdrawal Benefit IX Rider – Joint Life in the Contract’s Rider.)

Purchasing the Rider

(You may not purchase this Rider if you have an optional death benefit rider in effect.)

You may purchase this optional Rider if you meet the following eligibility requirements:

- the Contract is issued as:
 - Non-Qualified Contract (this Rider is not available if the Owner is a trust or other entity), or
 - Qualified Contract under Code Section 408(a), 408(k), 408A or 408(p), except for Inherited IRAs and Inherited Roth IRAs,
- both Designated Lives are 85 years or younger on the date of purchase,
- you allocate your entire Contract Value according to the *Investment Allocation Requirements*,
- the Contract must be structured so that upon the death of one Designated Life, the surviving Designated Life may retain or assume ownership of the Contract, and
- any Annuitant must be a Designated Life.

For purposes of meeting the eligibility requirements, Designated Lives must be any one of the following:

- a sole Owner with the Owner’s Spouse designated as the sole primary Beneficiary,
- Joint Owners, where the Owners are each other’s Spouses, or
- if the Contract is issued as a custodial owned IRA, the beneficial owner must be the Annuitant and the Annuitant’s Spouse must be designated as the sole primary Beneficiary under the Contract. The custodian, under a custodial owned IRA, for the benefit of the beneficial owner, may be designated as sole primary Beneficiary provided that the Spouse of the beneficial owner is the sole primary Beneficiary of the custodial account.

If this Rider is added after Contract issue, naming your Spouse as the Beneficiary to meet eligibility requirements will not be considered a change of Annuitant on the Contract.

Rider Terms

Annual RMD Amount – The amount required to be distributed each Calendar Year for purposes of satisfying the minimum distribution requirements of Code Section 401(a)(9) (“Section 401(a)(9)”) and related Treasury Regulations in effect as of the Rider Effective Date.

Designated Lives (each a “**Designated Life**”) – Designated Lives must be natural persons who are each other’s spouses on the Rider Effective Date. Designated Lives will remain unchanged while this Rider is in effect.

To be eligible for lifetime benefits, the Designated Life must:

- be the Owner (or Annuitant, in the case of a custodial owned IRA), or
- remain the Spouse of the other Designated Life and be the first in line of succession, as determined under the Contract, for payment of any death benefit.

Early Withdrawal – Any withdrawal that occurs before the youngest Designated Life is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age.

Excess Withdrawal – Any withdrawal (except an RMD Withdrawal) that occurs after the youngest Designated Life is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and exceeds the Protected Payment Amount.

Protected Payment Amount – The maximum amount that can be withdrawn under this Rider without reducing the Protected Payment Base. If the youngest Designated Life is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older,

the Protected Payment Amount is equal to 4.5% (5% if the Rider Effective Date is before October 1, 2013) of the Protected Payment Base, less cumulative withdrawals during that Contract Year and will be reset on each Contract Anniversary to 4.5% (5% if the Rider Effective Date is before October 1, 2013) of the Protected Payment Base computed on that date. If the youngest Designated Life is younger than 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age, the Protected Payment Amount is equal to zero (0). However, once the youngest Designated Life reaches age 65 (59½ if the Rider Effective Date is before October 1, 2013), the Protected Payment Amount will equal 4.5% (5% if the Rider Effective Date is before October 1, 2013) of the Protected Payment Base and will be reset each Contract Anniversary. The initial Protected Payment Amount will depend upon the age of the youngest Designated Life.

Protected Payment Base – An amount used to determine the Protected Payment Amount. The Protected Payment Base will remain unchanged except as otherwise described under the provisions of this Rider. On the Rider Effective Date, the Protected Payment Base is equal to the initial Purchase Payment if purchased at Contract issue or, if purchased after Contract issue, the Contract Value as of the Rider Effective Date.

Reset Date – Any Contract Anniversary after the Rider Effective Date on which an Automatic Reset occurs.

Rider Effective Date – The date the guarantees and charges for the Rider become effective.

Spouse – The Owner’s spouse who is treated as the Owner’s spouse pursuant to federal law. If the Contract is a custodial owned IRA, the Annuitant’s spouse who is treated as the Annuitant’s spouse pursuant to federal law.

Surviving Spouse – The surviving spouse of a deceased Owner (or Annuitant in the case of a custodial owned IRA).

You will find information about an RMD Withdrawal in the *Required Minimum Distributions* subsection and information about Automatic Resets in the *Reset of Protected Payment Base* subsection below.

How the Rider Works

Beginning at age 65 (59½ if the Rider Effective Date is before October 1, 2013), this Rider guarantees you can withdraw up to the Protected Payment Amount, regardless of market performance, until the Rider terminates. On each Contract Anniversary, the Rider provides for Automatic Annual Resets of the Protected Payment Base to an amount equal to 100% of the Contract Value if the Protected Payment Base is less than the Contract Value on that Contract Anniversary. Once the Rider is purchased, you cannot request a termination of the Rider (see the *Termination* subsection of this Rider for more information).

If the youngest Designated Life is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older, the Protected Payment Amount is 4.5% (5% if the Rider Effective Date is before October 1, 2013) of the Protected Payment Base. If the youngest Designated Life is younger than 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age, the Protected Payment Amount is zero (0).

The Protected Payment Base may change over time. An Automatic Reset will increase the Protected Payment Base depending on the Contract Value on the Reset Date. A withdrawal that is less than or equal to the Protected Payment Amount will not change the Protected Payment Base. If a withdrawal is greater than the Protected Payment Amount and the Contract Value (less the Protected Payment Amount) is lower than the Protected Payment Base at the time of withdrawal, the Protected Payment Base will be reduced by an amount that is greater than the excess amount withdrawn. For withdrawals that are greater than the Protected Payment Amount, see the *Withdrawal of Protected Payment Amount* subsection.

Amounts withdrawn under this Rider will reduce the Contract Value by the amount withdrawn and will be subject to the same conditions, limitations, restrictions and all other fees, charges and deductions, if applicable, as withdrawals otherwise made under the provisions of the Contract. Withdrawals under this Rider are not annuity payouts. Annuity payouts generally receive a more favorable tax treatment than other withdrawals.

If your Contract is a Qualified Contract, including an IRA Contract, you are subject to restrictions on withdrawals you may take prior to a triggering event (e.g. reaching age 59½, separation from service, disability) and you should consult your tax or legal advisor prior to purchasing this optional guarantee, the primary benefit of which is guaranteeing withdrawals. For additional information regarding withdrawals and triggering events, see **FEDERAL TAX ISSUES – IRAs and Qualified Plans**.

Withdrawal of Protected Payment Amount

When the youngest Designated Life is 65 (59½ if the Rider Effective Date is before October 1, 2013) years of age or older, you may withdraw up to the Protected Payment Amount each Contract Year, regardless of market performance, until the Rider terminates. The Protected Payment Amount will be reduced by the amount withdrawn during the Contract Year and will be reset each Contract Anniversary to 4.5% (5% if the Rider Effective Date is before October 1, 2013) of the Protected Payment Base. Any portion of the Protected Payment Amount not withdrawn during a Contract Year may not be carried over to the next Contract Year. If a withdrawal does not exceed the Protected Payment Amount immediately prior to that withdrawal, the Protected Payment Base will remain unchanged.

Withdrawals Exceeding the Protected Payment Amount. If a withdrawal (except an RMD Withdrawal) exceeds the Protected Payment Amount immediately prior to that withdrawal, we will (immediately following the withdrawal) reduce the Protected Payment Base on a proportionate basis for the amount in excess of the Protected Payment Amount. (See example 4 in **APPENDIX B** for a

numerical example of the adjustments to the Protected Payment Base as a result of an Excess Withdrawal.) If a withdrawal is greater than the Protected Payment Amount and the Contract Value (less the Protected Payment Amount) is lower than the Protected Payment Base, the Protected Payment Base will be reduced by an amount that is greater than the excess amount withdrawn.

The amount available for withdrawal under the Contract must be sufficient to support any withdrawal that would otherwise exceed the Protected Payment Amount.

For information regarding taxation of withdrawals, see **FEDERAL TAX ISSUES**.

Early Withdrawal

If an Early Withdrawal occurs, we will (immediately following the Early Withdrawal) reduce the Protected Payment Base either on a proportionate basis or by the total withdrawal amount, whichever results in a lower Protected Payment Base. See example 5 in **APPENDIX B** for a numerical example of the adjustments to the Protected Payment Base as a result of an Early Withdrawal.

Required Minimum Distributions

No adjustment will be made to the Protected Payment Base as a result of a withdrawal that exceeds the Protected Payment Amount immediately prior to the withdrawal, provided:

- such withdrawal (an “RMD Withdrawal”) is for purposes of satisfying the minimum distribution requirements of Section 401(a)(9) and related Code provisions in effect at that time,
- you have authorized us to calculate and make periodic distribution of the Annual RMD Amount for the Calendar Year required based on the payment frequency you have chosen,
- the Annual RMD Amount is based on this Contract only, and
- the youngest Designated Life is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older.

See example 6 in **APPENDIX B** for numerical examples that describe what occurs when only withdrawals of the Annual RMD Amount are made during a Contract Year and when withdrawals of the Annual RMD Amount plus other non-RMD Withdrawals are made during a Contract Year.

See **FEDERAL TAX ISSUES – Qualified Contracts – Required Minimum Distributions**.

Depletion of Contract Value

If the youngest Designated Life is younger than age 65 (59½ if the Rider Effective Date is before October 1, 2013) when the Contract Value is zero (due to withdrawals, fees, market decline, or otherwise), the Rider will terminate.

If the youngest Designated Life is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and the Contract Value was reduced to zero by a withdrawal that exceeds the Protected Payment Amount (excluding an RMD withdrawal), the Rider will terminate.

If the youngest Designated Life is age 65 (59½ if the Rider Effective Date is before October 1, 2013) or older and the Contract Value was reduced to zero by a withdrawal (including an RMD Withdrawal) that did not exceed the Protected Payment Amount, the following will apply:

- the Protected Payment Amount will be paid each year until the death of all Designated Lives eligible for lifetime benefits,
- the Protected Payment Amount will be paid under a series of pre-authorized withdrawals under a payment frequency as elected by the Owner, but no less frequently than annually,
- no additional Purchase Payments will be accepted under the Contract, and
- the Contract will cease to provide any death benefit.

Reset of Protected Payment Base

On and after each Reset Date, the provisions of this Rider shall apply in the same manner as they applied when the Rider was originally issued. The limitations and restrictions on Purchase Payments and withdrawals, the deduction of Rider charges and any future reset options available on and after the Reset Date, will again apply and will be measured from that Reset Date. A reset occurs when the Protected Payment Base is changed to an amount equal to the Contract Value as of the Reset Date.

Automatic Reset. On each Contract Anniversary while this Rider is in effect and before the Annuity Date, we will automatically reset the Protected Payment Base to an amount equal to 100% of the Contract Value, if the Protected Payment Base is less than the Contract Value on that Contract Anniversary. The annual charge percentage may change as a result of any Automatic Reset (see **CHARGES, FEES AND DEDUCTIONS – Optional Rider Charges**).

Automatic Reset – Opt-Out Election. Within 60 calendar days after a Contract Anniversary on which an Automatic Reset is effective, you have the option to reinstate the Protected Payment Base, Protected Payment Amount and annual charge percentage to their respective amounts immediately before the Automatic Reset. Any future Automatic Resets will continue in accordance with the **Automatic Reset** paragraph above.

If you elect this option, your opt-out election must be received, In Proper Form, within the same 60 calendar day period after the Contract Anniversary on which the reset is effective.

Subsequent Purchase Payments

If we receive additional Purchase Payments after the Rider Effective Date, we will increase the Protected Payment Base by the amount of the Purchase Payments. However, for purposes of this Rider, we reserve the right to restrict additional Purchase Payments that result in a total of all Purchase Payments received after the 1st Contract Anniversary, measured from the Rider Effective Date, to exceed \$100,000 without our prior approval.

Annuitization

If you annuitize the Contract at the maximum Annuity Date specified in your Contract and this Rider is still in effect at the time of your election and a Life Only or Joint Life Only fixed annuity option is chosen, the annuity payments will be equal to the greater of:

- the Life Only fixed annual payment amount based on the terms of your Contract, or
- the Protected Payment Amount in effect at the maximum Annuity Date.

If you annuitize the Contract at any time prior to the maximum Annuity Date specified in your Contract, your annuity payments will be determined in accordance with the terms of your Contract. The Protected Payment Base and Protected Payment Amount under this Rider will not be used in determining any annuity payments. Work with your Schwab investment professional to determine if you should annuitize your Contract before the maximum Annuity Date or stay in the accumulation phase and continue to take withdrawals under the Rider.

Continuation of Rider if Surviving Spouse Continues Contract

If the Owner dies and the Surviving Spouse (who is also a Designated Life eligible for lifetime benefits) elects to continue the Contract in accordance with its terms, the Surviving Spouse may continue to take withdrawals of the Protected Payment Amount under this Rider, until the Rider terminates.

The surviving spouse may elect to receive any death benefit proceeds instead of continuing the Contract (see **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS**).

Ownership and Beneficiary Changes

Changes to the Contract Owner, Annuitant and/or Beneficiary designations and changes in marital status, including a dissolution of marriage, may adversely affect the benefits of this Rider. A particular change may make a Designated Life ineligible to receive lifetime income benefits under this Rider. As a result, the Rider may remain in effect and you may pay for benefits that you will not receive. **You are strongly advised to work with your Schwab investment professional and consider your options prior to making any Owner, Annuitant and/or Beneficiary changes to your Contract. See *Rider Terms – Designated Lives* above and **ADDITIONAL INFORMATION – Changes to Your Contract**.**

Termination

You cannot request a termination of the Rider. Except as otherwise provided below, the Rider will automatically terminate on the earliest of:

- the day any portion of the Contract Value is no longer allocated according to the *Investment Allocation Requirements* and no corrective action was taken, after written notice was provided, to comply with the requirements to continue the Rider,
- the date of the death of all Designated Lives eligible for lifetime benefits,
- upon the death of the first Designated Life, if a death benefit is payable and a Surviving Spouse who chooses to continue the Contract is not a Designated Life eligible for lifetime benefits,
- upon the death of the first Designated Life, if a death benefit is payable and the Contract is not continued by a Surviving Spouse who is a Designated Life eligible for lifetime benefits,
- if both Designated Lives are Joint Owners and there is a change in marital status, the Rider will terminate upon the death of the first Designated Life who is a Contract Owner,
- the day the Contract is terminated in accordance with the provisions of the Contract,
- the day that neither Designated Life is an Owner (or Annuitant, in the case of a custodial owned IRA),
- the day you exchange this Rider for another withdrawal benefit Rider,
- the Annuity Date (see the Annuitization subsection for additional information),
- the day the Contract Value is reduced to zero as a result of a withdrawal (except an RMD Withdrawal) that exceeds the Protected Payment Amount, or

- the day the Contract Value is reduced to zero if the youngest Designated Life is younger than age 65 (59½ if the Rider Effective Date is before October 1, 2013).

See the *Depletion of Contract Value* subsection for situations where the Rider will not terminate when the Contract Value is reduced to zero.

Sample Calculations

Hypothetical sample calculations are in the attached **APPENDIX B**. The examples are based on certain hypothetical assumptions and are for example purposes only. These examples are not intended to serve as projections of future investment returns.

PACIFIC LIFE & ANNUITY, PACIFIC LIFE, AND THE SEPARATE ACCOUNT

Pacific Life & Annuity Company (PL&A)

PL&A is a life insurance company domiciled in Arizona. Our operations include life insurance, annuity and institutional products and various other insurance products and services. At the end of 2017, we had total statutory assets of \$7,125.3 million.

PL&A is authorized to conduct life insurance and annuity business in Arizona, New York and certain other states. Our executive office is located at 700 Newport Center Drive, Newport Beach, California 92660.

PL&A was incorporated in 1982 under the name of Pacific Financial Life Insurance Company. We merged with Pacific Financial Life Insurance Company of Arizona and assumed the PM Group Life Insurance Company in transferring domicile from California to Arizona, which was completed in 1990. On January 1, 1999, we changed our name to our current name, Pacific Life & Annuity Company.

Our affiliate, Pacific Select Distributors, LLC (PSD), serves as the principal underwriter (distributor) for the Contracts. PSD is located at 700 Newport Center Drive, Newport Beach, California 92660. We and PSD entered into a selling agreement with Schwab whose Schwab investment professionals are authorized by the Superintendent of the New York State Department of Financial Services to sell the Contracts.

We may provide you with reports of our ratings both as an insurance company and as to our claims-paying ability with respect to our General Account assets.

Pacific Life

Pacific Life Insurance Company administers the policies sold under this Prospectus. At the end of 2017, Pacific Life had \$484.7 billion of individual life insurance and total admitted assets of approximately \$129 billion. Pacific Life's executive office is located at 700 Newport Center Drive, Newport Beach, California 92660.

Separate Account A

Separate Account A was established on January 25, 1999 as a separate account of ours, and is registered with the SEC under the Investment Company Act of 1940 (the "1940 Act"), as a type of investment company called a "unit investment trust."

Obligations arising under your Contract are our general corporate obligations. We are also the legal owner of the assets in the Separate Account. Assets of the Separate Account attributed to the reserves and other liabilities under the Contract and other contracts issued by us that are supported by the Separate Account may not be charged with liabilities arising from any of our other business; any income, gain or loss (whether or not realized) from the assets of the Separate Account are credited to or charged against the Separate Account without regard to our other income, gain or loss. We must keep assets in the Separate Account equal to the reserves and contract liabilities (*i.e.* amounts at least equal to the aggregate variable account value) sufficient to pay obligations under the contracts funded by the Separate Account.

We may invest money in the Separate Account in order to commence its operations and for other purposes, but not to support contracts other than variable annuity contracts. A portion of the Separate Account's assets may include accumulations of charges we make against the Separate Account and investment results of assets so accumulated. These additional assets are ours and we may transfer them to our General Account at any time; however, before making any such transfer, we will consider any possible adverse impact the transfer might have on the Separate Account. Subject to applicable law, we reserve the right to transfer our assets in the Separate Account to our General Account.

The Separate Account may not be the sole investor in the Funds. Investment in a Fund by other separate accounts in connection with variable annuity and variable life insurance contracts may create conflicts. See the Prospectus and the SAI for the Funds for more information.

FEDERAL TAX ISSUES

The following summary of federal income tax issues is based on our understanding of current tax laws and regulations, which may be changed by legislative, judicial or administrative action. The summary is general in nature and is not intended as tax advice. Moreover, it does not consider any applicable foreign, state or local tax laws. Neither we, nor Schwab or Schwab investment

professionals make any guarantee regarding the tax status, federal, foreign, state or local, of any Contract or any transaction involving the Contracts. Accordingly, you should consult a qualified tax advisor for complete information and advice before purchasing a Contract. Additional tax information is included in the SAI. We reserve the right to amend this Contract without the Owner's consent to reflect any clarifications that may be needed or are appropriate to maintain its tax qualification or to conform this Contract to any applicable changes in the tax qualification requirements.

Diversification Requirements and Investor Control

Section 817(h) of the Code provides that the investments underlying a variable annuity must satisfy certain diversification requirements in order for the contract to be treated as an annuity contract and qualify for tax deferral. We believe the underlying Variable Investment Options for the contract meet these requirements. Details on these diversification requirements appear in the Fund SAIs.

In addition, for a variable annuity contract to qualify for tax deferral, assets in the separate accounts supporting the contract must be considered to be owned by the insurance company and not by the contract owner. Under current U.S. tax law, if a contract owner has excessive control over the investments made by a separate account, or the underlying fund, the contract owner will be taxed currently on income and gains from the account or fund. In other words, in such a case of investor control the contract owner would not derive the tax benefits normally associated with variable annuities. For more information regarding investor control, please refer to the contract SAI.

Taxation of Annuities – General Provisions

Section 72 of the Code governs the taxation of annuities in general, and we designed the Contracts to meet the requirements of Section 72 of the Code. We believe that, under current law, the Contract will be treated as an annuity for federal income tax purposes if the Contract Owner is a natural person or an agent for a natural person, and that we (as the issuing insurance company), and not the Contract Owner(s), will be treated as the owner of the investments underlying the Contract. Accordingly, no tax should be payable by you as a Contract Owner as a result of any increase in Contract Value until you receive money under your Contract. You should, however, consider how amounts will be taxed when you do receive them. The following discussion assumes that your Contract will be treated as an annuity for federal income tax purposes.

Non-Qualified Contracts – General Rules

These general rules apply to Non-Qualified Contracts. As discussed below, however, tax rules may differ for Qualified Contracts and you should consult a qualified tax advisor if you are purchasing a Qualified Contract.

Taxes Payable

A Contract Owner is not taxed on the increases in the value of a Contract until an amount is received or deemed to be received. An amount could be received or deemed to be received, for example, if there is a partial distribution, a lump sum distribution, an Annuity payment or a material change in the Contract or if any portion of the Contract is transferred, pledged or assigned. See the *Addition of Optional Rider or Material Change to Contract* section below. Increases in Contract Value that are received or deemed to be received are taxable to the Contract Owner as ordinary income. Distributions of net investment income or capital gains that each Subaccount receives from its corresponding Portfolio are automatically reinvested in such Portfolio unless we, on behalf of the Separate Account, elect otherwise. As noted above, you will be subject to federal income taxes on the investment income from your Contract only when it is distributed to you.

Beginning in 2013, any taxable distribution of the investment income from your Contract may also be subject to a net investment income tax of 3.8%. This tax applies to various investment income such as interest, dividends, royalties, payments from annuities, and the disposition of property, but only to the extent a taxpayer's modified adjusted gross income exceeds certain thresholds (\$200,000 for individuals/\$250,000 if married filing jointly). Please speak to your tax advisor about this tax.

Non-Natural Persons as Owners

If a contract is not owned or held by a natural person or as agent for a natural person, the contract generally will not be treated as an "annuity" for tax purposes, meaning that the contract owner will be subject to current tax on annual increases in Contract Value at ordinary income rates unless some other exception applies. Certain entities, such as some trusts, may be deemed to be acting as agents for natural persons. Corporations, including S corps, C corps, LLCs, partnerships and FLPs, and tax exempt entities are non-natural persons that will not be deemed to be acting as agents for natural persons.

Addition of Optional Rider or Material Change to Contract

The addition of a rider to the Contract, or a material change in the Contract's provisions, such as a change in Contract ownership or an assignment of the Contract, could cause it to be considered newly issued or entered into for tax purposes, and thus could cause a taxable event or the Contract to lose certain grandfathered tax status. Please contact your tax advisor for more information.

Taxes Payable on Withdrawals Prior to the Annuity Date

Amounts you withdraw before annuitization, including amounts withdrawn from your Contract Value in connection with partial withdrawals for payment of any charges and fees, including registered investment advisory fees, will be treated first as taxable income to the extent that your Contract Value exceeds the aggregate of your Purchase Payments reduced by non-taxable amounts previously

received (investment in the Contract), and then as non-taxable recovery of your Purchase Payments. Therefore, you include in your gross income the smaller of: a) the amount of the partial withdrawal, or b) the amount by which your Contract Value immediately before you receive the distribution exceeds your investment in the Contract at that time.

Exceptions to this rule are distributions in full discharge of your Contract (a full surrender) or distributions from contracts issued and investments made before August 14, 1982.

If at the time of a partial withdrawal your Contract Value does not exceed your investment in the Contract, then the withdrawal will not be includable in gross income and will simply reduce your investment in the Contract.

The assignment or pledge of (or agreement to assign or pledge) the value of the Contract for a loan will be treated as a withdrawal subject to these rules. You should consult your tax advisor for additional information regarding taking a partial or a full distribution from your Contract.

Multiple Contracts (Aggregation Rule)

Multiple Non-Qualified Contracts that are issued after October 21, 1988, by us or our affiliates to the same Owner during the same calendar year are treated as one Contract for purposes of determining the taxation of distributions (the amount includable in gross income under Code Section 72(e)) prior to the Annuity Date from any of the Contracts. A Contract received in a tax-free exchange under Code Section 1035 may be treated as a new Contract for this purpose. For Contracts subject to the Aggregation Rule, the values of the Contracts and the investments in the Contracts should be added together to determine the taxation under Code Section 72(e). Withdrawals will be treated first as withdrawals of income until all of the income from all such Contracts is withdrawn. The Treasury Department has specific authority under Code Section 72(e)(11) to issue regulations to prevent the avoidance of the income-out-first rules for withdrawals prior to the Annuity Date through the serial purchase of Contracts or otherwise. As of the date of this Prospectus there are no regulations interpreting these aggregation provisions.

10% Tax Penalty Applicable to Certain Withdrawals and Annuity Payments

The Code provides that the taxable portion of a withdrawal or other distribution may be subject to a tax penalty equal to 10% of that taxable portion unless the withdrawal is:

- made on or after the date you reach age 59½,
- made by a Beneficiary after your death,
- attributable to your becoming disabled,
- any payments annuitized using a life contingent annuity option,
- attributable to an investment in the Contract made prior to August 14, 1982, or
- any distribution that is a part of a series of substantially equal periodic payments (Code Section 72(q) payments) made (at least annually) over your life (or life expectancy) or the joint lives (or life expectancies) of you and your designated beneficiary.

Additional exceptions may apply to certain Qualified Contracts (see *Taxes Payable on Annuity Payments* and the applicable **Qualified Contracts**).

Distributions After the Annuity Date

After you annuitize, a portion of each annuity payment you receive under a Contract generally will be treated as a partial recovery of Investments (as used here, "Investments" means the aggregate Purchase Payments less any amounts that were previously received under the Contract but not included in income) and will not be taxable. (In certain circumstances, subsequent modifications to an initially-established payment pattern may result in the imposition of a tax penalty.) The remainder of each annuity payment will be taxed as ordinary income. However, after the full amount of aggregate Investments has been recovered, the full amount of each annuity payment will be taxed as ordinary income. Exactly how an annuity payment is divided into taxable and non-taxable portions depends on the period over which annuity payments are expected to be received, which in turn is governed by the form of annuity selected and, where a lifetime annuity is chosen, by the life expectancy of the Annuitant(s) or payee(s). Such a payment may also be subject to a tax penalty if taken prior to age 59½.

For periodic (annuity) payments, we will default your state tax withholding (as applicable) based upon the marital status and allowance(s) provided for your federal taxes or, if no withholding instructions are provided, we will default to either a married person with 3 exemptions or your resident state's prescribed withholding default (if applicable). Please consult with a tax advisor for additional information, including whether your resident state has a specific version of the W-4P form that should be submitted to us with state-specific income tax information.

Distributions to Beneficiary After Contract Owner's Death

Generally, the same tax rules apply to amounts received by the Beneficiary as those that apply to the Contract Owner, except that the early withdrawal tax penalty does not apply. Thus, any annuity payments or lump sum withdrawal will be divided into taxable and non-taxable portions.

If death occurs after the Annuity Date, but before the expiration of a period certain option, the Beneficiary will recover the balance of the Investments as payments are made and may be allowed a deduction on the final tax return for the unrecovered Investments. A lump sum payment taken by the Beneficiary in lieu of remaining monthly annuity payments is not considered an annuity payment for tax purposes. The portion of any lump sum payment to a Beneficiary in excess of aggregate unrecovered Investments would be subject to income tax.

Contract Owner's Estate

Generally, any amount payable to a Beneficiary after the Contract Owner's death, whether before or after the Annuity Date, will be included in the estate of the Contract Owner for federal estate tax purposes. If the inclusion of the value of the Contract triggers a federal estate tax to be paid, the Beneficiary may be able to use a deduction called Income in Respect of Decedent (IRD) in calculating the income taxes payable upon receipt of the death benefit proceeds. In addition, designation of a non-spouse Beneficiary who either is 37½ or more years younger than a Contract Owner or is a grandchild of a Contract Owner may have Generation Skipping Transfer Tax (GSTT) consequences under section 2601 of the Code. You should consult with a qualified tax advisor if you have questions about federal estate tax, IRD, or GSTT.

Gifts of Annuity Contracts

Generally, gifts of Non-Qualified Contracts prior to the annuity start date will trigger tax reporting to the donor on the gain on the Contract, with the donee getting a stepped-up basis for the amount included in the donor's income. The 10% early withdrawal tax penalty and gift tax also may be applicable. This provision does not apply to transfers between spouses or incident to a divorce, or transfers to and from a trust acting as agent for the Owner or the Owner's spouse.

Tax Withholding for Non-Qualified Contracts

Unless you elect to the contrary, any amounts you receive under your Contract that are attributable to investment income will be subject to withholding to meet federal income tax obligations. For nonperiodic distributions, you will have the option to provide us with withholding information at the time of your withdrawal request. If you do not provide us with withholding information, we will generally withhold 10% of the taxable distribution amount and remit it to the IRS. For periodic (annuity) payments, the rate of withholding will be determined on the basis of the withholding information you provide to us. If you do not provide us with withholding information, we are required to determine the Federal income tax withholding, from every annuity payment, as if you are a married person with 3 exemptions. State and local withholding may apply different defaults and will be determined by applicable law.

Please call (800) 748-6907 with any questions about the required withholding information. Schwab investment professionals may call us at (800) 610-4823.

Tax Withholding for Non-resident Aliens or Non U.S. Persons

Taxable distributions to Contract Owners who are non-resident aliens or other non U.S. persons are generally subject to U.S. federal income tax withholding at a 30% rate, unless a lower treaty rate applies. Prospective foreign owners are advised to consult with a tax advisor regarding the U.S., state and foreign tax treatment of a Contract. Currently, we require all Contract Owners to be a U.S. person (citizen) or a U.S. resident alien.

Exchanges of Non-Qualified Contracts (1035 Exchanges)

You may make your initial or an additional Purchase Payment through an exchange of an existing annuity contract or endowment life insurance contract pursuant to Section 1035 of the Code (a 1035 exchange). The exchange can be effected by completing the Transfer/Exchange form, indicating in the appropriate section of the form that you are making a 1035 exchange and submitting any applicable Regulation 60 paperwork. The form is available by calling your Schwab investment professional if you are working with one, by calling a Schwab Annuity Specialist at (888) 311-4887, or on our website at www.PacificLife.com. If you are a Schwab investment professional, please call PL&A at (800) 610-4823. Once completed, the form should be mailed to PL&A. If you are making an initial Purchase Payment, a completed Contract application should also be attached.

A post-death 1035 exchange of Non-Qualified assets may be available for beneficiaries who have elected to receive lifetime payments under Section 72(s) of the Code. Note that we reserve the right to restrict the maximum issue age for this type of transaction. Additionally, we will not accept additional purchase payments or allow a change in ownership (including collateral assignment requests) for a Contract issued via a post-death 1035 exchange of Non-Qualified assets.

In general terms, Section 1035 of the Code provides that no gain or loss is recognized when you exchange one annuity or life insurance contract for another annuity contract. Transactions under Section 1035, however, may be subject to special rules and may require special procedures and record keeping, particularly if the exchanged annuity contract was issued prior to August 14, 1982. You should consult your tax advisor prior to affecting a 1035 exchange.

Partial 1035 Exchanges and Annuitization

A partial exchange is the direct transfer of only a portion of an existing annuity's Contract Value to a new annuity contract. Under Rev. Proc. 2011-38 a partial exchange will be treated as tax-free under Code Section 1035 if there are no distributions, from either annuity, within 180 calendar days after the partial 1035 exchange. Any distribution taken during the 180 calendar days may jeopardize the tax-free treatment of the partial exchange. Such determination will be made by the IRS, using general tax principals, to determine

the substance, and thus the treatment of the transaction. In addition, annuity payments that are based on one or more lives or for a period of 10 or more years (as described in Code Section 72(a)(2)) will not be treated as a distribution from either the old or new contract when determining whether the tax treatment described in Rev. Proc. 2011-38 will apply. Rev. Proc. 2011-38 applies to partial exchanges and partial annuitizations *on or after* October 24, 2011.

You should consult your tax advisor prior to affecting a partial 1035 exchange or a partial annuitization.

Impact of Federal Income Taxes

In general, in the case of Non-Qualified Contracts, if you are an individual and expect to accumulate your Contract Value over a relatively long period of time without making significant withdrawals, there may be federal income tax advantages in purchasing such a Contract. This is because any increase in Contract Value is not subject to current taxation. Income taxes are deferred until the money is withdrawn, at which point taxation occurs only on the gain from the investment in the Contract. With income taxes deferred, you may accumulate more money over the long term through a variable annuity than you may through non-tax-deferred investments. The advantage may be greater if you decide to liquidate your Contract Value in the form of monthly annuity payments after your retirement, or if your tax rate is lower at that time than during the period that you held the Contract, or both.

When withdrawals or distributions are taken from the variable annuity, the gain is taxed as ordinary income. This may be a potential disadvantage because money that had been invested in other types of assets may qualify for a more favorable federal tax rate. For example, the tax rate applicable both to the sale of capital gain assets held more than 1 year and to the receipt of qualifying dividends by individuals is a maximum of 20% (as low as 0% for lower-income individuals). In contrast, an ordinary income tax rate of up to 37% applies to taxable withdrawals on distributions from a variable annuity. Also, withdrawals or distributions taken from a variable annuity prior to attaining age 59½ may be subject to a tax penalty equal to 10% of the taxable portion, although exceptions to the tax penalty may apply.

An owner of a variable annuity cannot deduct or offset losses on transfers to or from Subaccounts, or at the time of any partial withdrawals. Additionally, if you surrender your Contract and your Contract Value is less than the aggregate of your investments in the Contract (reduced by any previous non-taxable distributions), you cannot deduct the ordinary income loss as a miscellaneous itemized deduction subject to the 2% floor of AGI. This provision of the 2017 Tax Cuts and Jobs Act is effective for taxable years beginning after December 31, 2017 and sunsets after 2025. Consult with your tax advisor regarding the impact of federal income taxes on your specific situation.

Taxes on Pacific Life & Annuity Company

Although the Separate Account is registered as an investment company, it is not a separate taxpayer for purposes of the Code. The earnings of the Separate Account are taxed as part of our operations. No charge is made against the Separate Account for our federal income taxes (excluding the charge for premium taxes), but we will review, periodically, the question of charges to the Separate Account or your Contract for such taxes. Such a charge may be made in future years for any federal income taxes that would be attributable to the Separate Account or to our operations with respect to your Contract, or attributable, directly or indirectly, to investments in your Contract.

Under current law, we may incur state and local taxes (in addition to premium taxes) in several states. At present, these taxes are not significant and they are not charged against the Contract or the Separate Account. If there is a material change in applicable state or local tax laws, the imposition of any such taxes upon us that are attributable to the Separate Account or to our operations with respect to your Contract may result in a corresponding charge against the Separate Account or your Contract.

Given the uncertainty of future changes in applicable federal, state or local tax laws, we cannot appropriately describe the effect a tax law change may have on taxes that would be attributable to the Separate Account or your Contract.

Qualified Contracts – General Rules

The Contracts are available to a variety of Qualified Plans and IRAs. Tax restrictions and consequences for Contracts under each type of Qualified Plan and IRAs differ from each other and from those for Non-Qualified Contracts. No attempt is made herein to provide more than general information about the use of the Contract with the various types of Qualified Plans and IRAs. Participants under such Qualified Plans, as well as Contract Owners, Annuitants and Beneficiaries, are cautioned that the rights of any person to any benefits under such Qualified Plans may be subject to the terms and conditions of the Plans themselves or limited by applicable law, regardless of the terms and conditions of the Contract issued in connection therewith.

Tax Deferral

It is important to know that Qualified Plans such as 401(k)s, as well as IRAs, are already tax-deferred. Therefore, an annuity contract should be used to fund an IRA or Qualified Plan to benefit from the annuity's features other than tax deferral. Other benefits of using a variable annuity to fund a Qualified Plan or an IRA include the lifetime income options, guaranteed death benefit options and the ability to transfer among Investment Options. You should consider if the Contract is a suitable investment if you are investing through a Qualified Plan or IRA.

Registered Investment Advisory Fees

For Qualified Contracts, based upon our understanding of the somewhat limited IRS guidance in this area, withdrawals to pay registered investment advisory fees are not treated as distributions for tax purposes, and therefore will not be reported on a Form 1099-R. Should the IRS issue further guidance on this subject, we will reevaluate our obligation to report such fees.

Taxes Payable

Generally, amounts received from Qualified Contracts are taxed as ordinary income under Section 72, to the extent that they are not treated as a tax free recovery of after-tax contributions (if any). Amounts you withdraw before annuitization, including amounts withdrawn from your Contract Value in connection with partial withdrawals for payment of any charges and fees, will be treated as ordinary income. Different rules apply for Roth IRAs. Consult your tax advisor before requesting a distribution from a Qualified Contract.

10% Tax Penalty for Early Withdrawals

Generally, distributions from IRAs and Qualified Plans that occur before you attain age 59½ are subject to a 10% tax penalty imposed on the amount of the distribution that is includable in gross income, with certain exceptions. These exceptions include distributions:

- made to a beneficiary after the owner's/participant's death,
- attributable to the owner/participant becoming disabled under Section 72(m)(7),
- that are part of a series of substantially equal periodic payments (also referred to as SEPPs or 72(t) payments) made (at least annually) over your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary,
- for certain higher education expenses (IRAs only),
- used to pay for certain health insurance premiums or medical expenses (IRAs only),
- for costs related to the purchase of your first home (IRAs only), and
- (except for IRAs) made to an employee after separation from service if the employee separates from service during or after the calendar year in which he or she attains age 55 (or age 50 in the case of a qualified public safety employee).

Tax Withholding for Qualified Contracts

Distributions from a Contract under a Qualified Plan (not including an individual retirement annuity subject to Code Section 408 or Code Section 408A) to an employee, surviving spouse, or former spouse who is an alternate payee under a qualified domestic relations order, in the form of a lump sum settlement or periodic annuity payments for a fixed period of fewer than 10 years are subject to mandatory income tax withholding of 20% of the taxable amount of the distribution, unless:

- the distributee directs the transfer of such amounts in cash to another Qualified Plan or a traditional IRA, or
- the payment is a minimum distribution required under the Code.

The taxable amount is the amount of the distribution less the amount allocable to after-tax contributions. All other types of taxable distributions are subject to 10% federal withholding unless the distributee elects not to have withholding apply.

For periodic (annuity) payments, the rate of withholding will be determined on the basis of the withholding information you provide to us. If you do not provide us with withholding information, we are required to determine the Federal income tax withholding, from every annuity payment, as if you are a married person with 3 exemptions. State and local withholding may apply different defaults and will be determined by applicable law.

IRAs and Other Qualified Contracts with Optional Benefit Riders

As of the date of this Prospectus, there are special considerations for purchases of any optional living or death benefit riders. Treasury Regulations state that Individual Retirement Accounts (IRAs) may generally not invest in life insurance contracts. We believe that these Regulations do not prohibit the optional living or death benefit riders from being added to your Contract if it is issued as a Traditional IRA, Roth IRA, SEP IRA or SIMPLE IRA. However, the law is unclear and it is possible that a Contract that has optional living or death benefit riders and is issued as a Traditional IRA, Roth IRA, SEP IRA or SIMPLE IRA could be disqualified and may result in increased taxes to the Owner.

Similarly, section 401 plans and IRAs (but not Roth IRAs) can only offer *incidental* death benefits. The IRS could take the position that the enhanced death benefits provided by optional benefit riders are not incidental. In addition, to the extent that the optional benefit riders alter the timing or the amount of the payment of distributions under a Qualified Contract, the riders cannot be paid out in violation of the minimum distribution rules of the Code.

It is our understanding that the charges relating to the optional benefit riders are not subject to current taxation and we will not report them as such. However, Treasury or the IRS may determine that these charges should be treated as partial withdrawals subject to current income taxation to the extent of any gain and, if applicable, the 10% tax penalty. We reserve the right to report the rider charges as partial withdrawals if we believe that we would be expected to report them in accordance with Treasury Regulations or IRS guidance.

Required Minimum Distributions

The regulations provide that you cannot keep assets in Qualified Plans or IRAs indefinitely. Eventually they are required to be distributed; at that time (the Required Beginning Date (RBD)), Required Minimum Distributions (RMDs) are the amount that must be distributed each year. The information below is for Qualified Contracts held in either a Qualified Plan, or IRA, prior to the annuity start date.

Under Section 401 of the Code (for Qualified Plans) and Section 408 of the Code (for IRAs), the entire interest under the Contract must be distributed to the Owner/Annuitant no later than the Owner/Annuitant's RBD, or distributions over the life of the Owner/Annuitant (or the Owner/Annuitant and his beneficiary) must begin no later than the RBD.

The RBD for distributions from a Qualified Contract maintained for an IRA under Section 408 of the Code is generally April 1 of the calendar year following the year in which the Owner/Annuitant reaches age 70½. The RBD for a Qualified Contract maintained for a qualified retirement or pension plan under Section 401 of the Code is April 1 of the calendar year following the later of the year in which the Owner/Annuitant reaches age 70½, or, if the plan so provides, the year in which the Owner/Annuitant retires. There is no RBD for a Roth IRA maintained pursuant to Section 408A of the Code.

The IRS requires that all IRA holders and Qualified Plan Participants (with one exception discussed below) use the Uniform Lifetime Table to calculate their RMDs.

The Uniform Lifetime Table is based on a joint life expectancy and uses the IRA owner's actual age and assumes that the beneficiary is 10 years younger than the IRA owner. Note that under these Regulations, the IRA owner does not need to actually have a named beneficiary when they turn age 70½.

The exception noted above is for an IRA owner who has a spouse, who is more than 10 years younger, as the sole beneficiary on the IRA. In that situation, the spouse's actual age (and life expectancy) will be used in the joint life calculation.

If the Owner/Annuitant dies prior to his RBD or complete distribution from the Qualified Contract, the remainder shall be distributed as provided in the "Qualified Contract Distribution Rules" section of this Prospectus. For non-spouse beneficiaries, life expectancy is initially computed by use of the Single Life Table of the Regulations (Treas. Reg. Sec. 1.401(a)(9)-9). Subsequent life expectancy shall be calculated by reducing the life expectancy of the Beneficiary by one in each following calendar year.

The method of distribution selected must comply with the minimum distribution rules of Code Section 401(a)(9), and the applicable Regulations thereunder.

Actuarial Value

In accordance with regulations, RMDs and Roth IRA conversions may be calculated based on the sum of the contract value and the actuarial value of any additional death benefits and benefits from optional riders that you have purchased under the Contract. As a result, RMDs and taxes due on Roth IRA Conversions may be larger than if the calculation were based on the contract value only, which may in turn result in an earlier (but not before the required beginning date) distribution under the Contract and an increased amount of taxable income distributed to the contract owner, and a reduction of death benefits and the benefits of any optional riders.

RMDs and Annuity Options

Under the Final Regulations, for retirement plans that qualify under Section 401 or 408 of the Code, the period elected for receipt of RMDs as annuity payments under Annuity Options 2 and 4 generally may be:

- no longer than the joint life expectancy of the Annuitant and Beneficiary in the year that the Annuitant reaches age 70½, and
- must be shorter than such joint life expectancy if the Beneficiary is not the Annuitant's spouse and is more than 10 years younger than the Annuitant.

Under Annuity Option 3, if the Beneficiary is not the Annuitant's spouse and is more than 10 years younger than the Annuitant, the 66 2/3% and 100% elections specified below may not be available.

IRAs and Qualified Plans

The following is only a general discussion about types of IRAs and Qualified Plans for which the Contracts are available. We are not the administrator of any Qualified Plan. The plan administrator and/or custodian, whichever is applicable, (but not us) is responsible for all Plan administrative duties including, but not limited to, notification of distribution options, disbursement of Plan benefits, compliance regulatory requirements and federal and state tax reporting of income/distributions from the Plan to Plan participants and, if applicable, Beneficiaries of Plan participants and IRA contributions from Plan participants. Our administrative duties are limited to administration of the Contract and any disbursements of any Contract benefits to the Owner, Annuitant, or Beneficiary of the Contract, as applicable. Our tax reporting responsibility is limited to federal and state tax reporting of income/distributions to the applicable payee and IRA contributions from the Owner of a Contract, as recorded on our books and records. The Qualified Plan (the plan administrator or the custodian) is required to provide us with information regarding individuals with signatory authority on the Contract(s) owned. If you are purchasing a Qualified Contract, you should consult with your plan administrator and/or a qualified tax advisor. You should also consult with a qualified tax advisor and/or plan administrator before you withdraw any portion of your Contract Value.

Individual Retirement Annuities (“IRAs”)

In addition to “traditional” IRAs established under Code Section 408, there are SEP IRAs under Code Section 408(k), Roth IRAs governed by Code Section 408A and SIMPLE IRAs established under Code Section 408(p). Also, Qualified Plans under Section 401 of the Code that include after-tax employee contributions may be treated as deemed IRAs subject to the same rules and limitations as traditional IRAs. Contributions to each of these types of IRAs are subject to differing limitations. The following is a very general description of each type of IRA and other Qualified Plans.

Traditional IRAs

Traditional IRAs are subject to limitations on the amount that may be contributed each year, the persons who may be eligible to contribute, when rollovers are available and when distributions must commence. Depending upon the circumstances of the individual, contributions to a traditional IRA may be made on a deductible or non-deductible basis.

Annual contributions are generally allowed for persons who have not attained age 70½ (we do not accept additional contributions during the calendar year the Owner reaches age 70½) and who have compensation (as defined by the Code) of at least the contribution amount. Distributions of minimum amounts specified by the Code and Treasury Regulations must commence by April 1 of the calendar year following the calendar year in which you attain age 70½. Failure to make mandatory minimum distributions may result in imposition of a 50% tax penalty on any difference between the required distribution amount and the amount actually distributed. Additional distribution rules apply after your death.

You (or your surviving spouse if you die) may rollover funds (such as proceeds from existing insurance policies, annuity contracts or securities) from certain existing Qualified Plans into your traditional IRA if those funds are in cash. This will require you to liquidate any value accumulated under the existing Qualified Plan. Mandatory withholding of 20% may apply to any rollover distribution from your existing Qualified Plan if the distribution is not transferred directly to your traditional IRA. To avoid this withholding you should have cash transferred directly from the insurance company or plan trustee to your traditional IRA.

SIMPLE IRAs

The Savings Incentive Match Plan for Employees of Small Employers (“SIMPLE Plan”) is a type of IRA established under Code Section 408(p)(2). Depending upon the SIMPLE Plan, employers may make plan contributions into a SIMPLE IRA established by each participant of the SIMPLE Plan. Like other IRAs, a 10% tax penalty is imposed on certain distributions that occur before an employee attains age 59½. In addition, the tax penalty is increased to 25% for amounts received or rolled to another IRA or Qualified Plan during the 2-year period beginning on the date an employee first participated in a qualified salary reduction arrangement pursuant to a SIMPLE Plan maintained by their employer. Contributions to a SIMPLE IRA will generally include employee salary deferral contributions and employer contributions. Distributions from a SIMPLE IRA may be transferred to another SIMPLE IRA tax free or may be eligible for tax free rollover to a traditional IRA, or other Qualified Plan after the required 2-year period.

SEP-IRAs

A Simplified Employee Pension (SEP) is an employer sponsored retirement plan under which employers are allowed to make contributions toward their employees’ retirement, as well as their own retirement (if the employer is self-employed). A SEP is a type of IRA established under Code Section 408(k). Under a SEP, a separate IRA account called a SEP-IRA is set up by or for each eligible employee and the employer makes the contribution to the account. Like other IRAs, a 10% tax penalty is imposed on certain distributions that occur before an employee attains age 59½.

Roth IRAs

Section 408A of the Code permits eligible individuals to establish a Roth IRA. Contributions to a Roth IRA are not deductible, but withdrawals of amounts contributed and the earnings thereon that meet certain requirements are not subject to federal income tax. In general, Roth IRAs are subject to limitations on the amount that may be contributed and the persons who may be eligible to contribute and are subject to certain required distribution rules on the death of the Contract Owner. Unlike a traditional IRA, Roth IRAs are not subject to minimum required distribution rules during the Contract Owner’s lifetime. Generally, however, the amount remaining in a Roth IRA must be distributed by the end of the fifth year after the death of the Contract Owner/Annuitant or distributed over the life expectancy of the Designated Beneficiary. The owner of a traditional IRA may convert a traditional IRA into a Roth IRA under certain circumstances. The conversion of a traditional IRA to a Roth IRA will subject the amount of the converted traditional IRA to federal income tax. Anyone considering the purchase of a Qualified Contract as a Roth IRA or a “conversion” Roth IRA should consult with a qualified tax advisor.

In accordance with recent changes in laws and regulations, at the time of either a full or partial conversion from a Traditional IRA annuity to a Roth IRA annuity, the determination of the amount to be reported as income will be based on the annuity contract’s “fair market value”, which will include all front-end loads and other non-recurring charges assessed in the 12 months immediately preceding the conversion, and the actuarial present value of any additional contract benefits.

One IRA Rollover Per Year

Effective January 1, 2015, the IRS will only permit a taxpayer to complete one 60-day indirect IRA-to-IRA rollover per 12 month period. This means that a taxpayer could not make a 60-day indirect IRA-to-IRA rollover if he or she had made such a rollover involving any of the taxpayer's IRAs in the preceding 1-year period. The limit will apply by aggregating all of the individual’s IRAs,

including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of the limit. This rule does not affect the ability of an IRA owner to transfer funds from one IRA trustee directly to another, because such a transfer is not a rollover (but rather a direct transfer) and therefore, is not subject to the one-rollover-per-year limitation of Code Section 408(d)(3)(B). For additional information, see IRS Announcements 2014-15 and 2014-32. Always confirm with your own tax advisor whether this rule impacts your circumstances.

401(k) Plans; Pension and Profit-Sharing Plans

Qualified Plans may be established by an employer for certain eligible employees under Section 401 of the Code. These plans may be 401(k) plans, profit-sharing plans, or other pension or retirement plans. Contributions to these plans are subject to limitations. Rollover to other eligible plans may be available. Please consult your Qualified Plans Summary Plan description for more information.

ADDITIONAL INFORMATION

Voting Rights

We are the legal owner of the shares of the Portfolios held by the Subaccounts. We may vote on any matter voted on at shareholders' meetings of the Funds. However, our current interpretation of applicable law requires us to vote the number of shares attributable to your Variable Account Value (your "voting interest") in accordance with your directions.

We will pass proxy materials on to you so that you have an opportunity to give us voting instructions for your voting interest. You may provide your instructions by proxy or in person at the shareholders' meeting. If there are shares of a Portfolio held by a Subaccount for which we *do not* receive timely voting instructions, we will vote those shares in the same proportion as all other shares of that Portfolio held by that Subaccount for which we *have* received timely voting instructions. If we do not receive any voting instructions for the shares in a Separate Account, we will vote the shares in that Separate Account in the same proportion as the total votes for all of our separate accounts for which we've received timely instructions. If we hold shares of a Portfolio in our General Account, we will vote such shares in the same proportion as the total votes cast for all of our separate accounts, including Separate Account A. We will vote shares of any Portfolio held by our non-insurance affiliates in the same proportion as the total votes for all separate accounts of ours and our insurance affiliates. As a result of proportional voting, the votes cast by a small number of Contract Owners may determine the outcome of a vote.

We may elect, in the future, to vote shares of the Portfolios held in Separate Account A in our own right if we are permitted to do so through a change in applicable federal securities laws or regulations, or in their interpretation.

The number of Portfolio shares that form the basis for your voting interest is determined as of the record date set by the Board of Trustees of the Fund. It is equal to:

- your Contract Value allocated to the Subaccount corresponding to that Portfolio, divided by
- the net asset value per share of that Portfolio.

Fractional votes will be counted. We reserve the right, if required or permitted by a change in federal regulations or their interpretation, to amend how we calculate your voting interest.

Changes to Your Contract

Contract Owner(s)

Transfer of Contract ownership may involve federal income tax and/or gift tax consequences; you should consult a qualified tax advisor before effecting such a transfer. A change to or from joint Contract ownership is considered a transfer of ownership. If your Contract is Non-Qualified, you may change Contract ownership at any time while the Annuitant is living and prior to your Annuity Date. You may name a different Owner or add or remove a Joint Owner. A Contract cannot name more than two Contract Owners at any time. Any newly-named Contract Owners, including Joint Owners, must be under the age of 91 at the time of change or addition. Additionally, further age limitations may apply if the Contract was issued with an optional death benefit rider. The Contract Owner(s) may make all decisions regarding the Contract, including making allocation decisions and exercising voting rights. Transactions under a Contract with Joint Owners require approval from both Owners. Contract ownership changes may change the Return of Purchase Payments and Stepped-Up Death Benefit calculations. In addition, Contract ownership changes may terminate certain optional living benefit riders. See the *Termination* subsection for a particular rider in the **OPTIONAL LIVING BENEFIT RIDERS** section. Work with your Schwab investment professional prior to making any ownership changes.

If your Contract is Qualified under Code Section 401, the Qualified Plan must be the sole Owner of the Contract and the ownership cannot be changed unless and until a triggering event has been met under the terms of the Qualified Plan. Upon such event, the ownership can only be changed to the Annuitant. If your Contract is Qualified under Code Section 408, you must be the sole Owner of the Contract and no changes can be made.

Annuitant and Contingent or Joint Annuitant

Your sole Annuitant cannot be changed, and Joint Annuitants cannot be added or changed, once your Contract is issued. Certain changes may be permitted in connection with Contingent Annuitants. See **ANNUITIZATION – Selecting Your Annuitant**. There may be limited exceptions for certain Qualified Contracts.

Beneficiaries

Your Beneficiary is the person(s) or entity who may receive death benefit proceeds under your Contract before the Annuity Date or any remaining annuity payments after the Annuity Date if the Annuitant or Owner dies. See the **DEATH BENEFITS AND OPTIONAL DEATH BENEFIT RIDERS** section for additional information regarding death benefit payouts. You may change or remove your Beneficiary or add Beneficiaries at any time prior to the death of the Annuitant or Owner, as applicable. Any change or addition will generally take effect only when we receive all necessary documents, In Proper Form, and we record the change or addition. Any change or addition will not affect any payment made or any other action taken by us before the change or addition was received and recorded. Under our administrative procedures, a signature guarantee and/or other verification of identity or authenticity may be required when processing a claim payable to a Beneficiary.

Spousal consent may be required to change an IRA Beneficiary. If you are considering removing a spouse as a Beneficiary, it is recommended that you consult your legal or tax advisor regarding any applicable state or federal laws prior to requesting the change. If you have named your Beneficiary irrevocably, you will need to obtain that Beneficiary's consent before making any changes. Qualified Contracts may have additional restrictions on naming and changing Beneficiaries. If your Contract was issued in connection with a Qualified Plan subject to Title I of ERISA, contact your Plan Administrator for details. We require that Contracts issued under Code Section 401 name the Plan as Beneficiary. If the Plan is unable to set up a trust account for Beneficiary payouts, we will pay the designated Plan Beneficiary under certain conditions. If you leave no surviving Beneficiary or Contingent Beneficiary, your estate will receive any death benefit proceeds under your Contract.

Changes to All Contracts

If, in the judgment of our management, continued investment by Separate Account A in one or more of the Portfolios becomes unsuitable or unavailable, we may seek to alter the Variable Investment Options available under the Contracts. We do not expect that a Portfolio will become unsuitable, but unsuitability issues could arise due to changes in investment policies, market conditions, tax laws, or due to marketing or other reasons.

Alterations of Variable Investment Options may take differing forms. We reserve the right to substitute shares of any Portfolio that were already purchased under any Contract (or shares that were to be purchased in the future under a Contract) with shares of another Portfolio, shares of another investment company or series of another investment company, or another investment vehicle. Required approvals of the SEC and the Superintendent of the New York State Department of Financial Services will be obtained before any such substitutions are effected, and you will be notified of any planned substitution.

We may add new Subaccounts to Separate Account A and any new Subaccounts may invest in Portfolios of a Fund or in other investment vehicles. Availability of any new Subaccounts to existing Contract Owners will be determined at our discretion. We will notify you, and will comply with the filing or other procedures established by the Superintendent of the New York State Department of Financial Services, to the extent required by applicable law. We also reserve the right, after receiving any required regulatory approvals, to do any of the following:

- cease offering any Subaccount;
- add or change designated investment companies or their portfolios, or other investment vehicles;
- add, delete or make substitutions for the securities and other assets that are held or purchased by the Separate Account or any Variable Account;
- permit conversion or exchanges between portfolios and/or classes of contracts on the basis of Owners' requests;
- add, remove or combine Variable Accounts;
- combine the assets of any Variable Account with any other of our separate accounts or of any of our affiliates;
- register or deregister Separate Account A or any Variable Account under the 1940 Act;
- operate any Variable Account as a managed investment company under the 1940 Act, or any other form permitted by law;
- run any Variable Account under the direction of a committee, board, or other group;
- restrict or eliminate any voting rights of Owners with respect to any Variable Account or other persons who have voting rights as to any Variable Account;
- make any changes required by the 1940 Act or other federal securities laws;
- make any changes necessary to maintain the status of the Contracts as annuities under the Code;
- make other changes required under federal or state law relating to annuities;
- suspend or discontinue sale of the Contracts; and
- comply with applicable law.

Inquiries and Submitting Forms and Requests

You may reach PL&A service representatives at (800) 748-6907 between the hours of 6:00 a.m. and 5:00 p.m., Pacific time on any Business Day. Schwab investment professionals may call us at (800) 610-4823.

Please send your forms and written requests or questions to our Service Center:

Pacific Life & Annuity Company
P.O. Box 2829
Omaha, Nebraska 68103-2829

If you are submitting a Purchase Payment or other payment by mail, please send it, along with your application if you are submitting one, to our Service Center at the following address:

Pacific Life & Annuity Company
P.O. Box 2736
Omaha, Nebraska 68103-2736

If you are using an overnight delivery service to send payments, please send them to our Service Center at the following address:

Pacific Life & Annuity Company
6750 Mercy Road, 4th Floor, RSD
Omaha, Nebraska 68106

The effective date of certain notices or of instructions is determined by the date and time on which we receive the notice or instructions In Proper Form. In those instances when we receive electronic transmission of the information on the application from Schwab, we consider the application to be received on the Business Day we receive the transmission. In those instances when information regarding your Purchase Payment is electronically transmitted to us by Schwab, we will consider the Purchase Payment to be received by us on the Business Day we receive the transmission of the information. Please call us if you or your Schwab investment professional have any questions regarding which address you should use.

We reserve the right to process any Purchase Payment received at an incorrect address when it is received at either the address indicated in your Contract specification pages or the appropriate address indicated in the Prospectus.

Purchase Payments after your initial Purchase Payment, transfer requests and withdrawal requests we receive before the close of the New York Stock Exchange, which usually closes at 4:00 p.m. Eastern time, will be effective at the end of the same Business Day that we receive them In Proper Form unless the transaction or event is scheduled to occur on another Business Day. Generally, whenever you submit any other form, notice or request, your instructions will be effective on the next Business Day after we receive them In Proper Form unless the transaction or event is scheduled to occur on another Business Day. We may also require, among other things, a signature guarantee or other verification of authenticity. We do not generally require a signature guarantee unless it appears that your signature may have changed over time or the signature does not appear to be yours; or an executed application or confirmation of application, as applicable, In Proper Form is not received by us; or, to protect you or us. Requests regarding death benefit proceeds must be accompanied by both proof of death and instructions regarding payment In Proper Form. You should call your Schwab investment professional or us if you have questions regarding the required form of a request.

Telephone and Electronic Transactions

You are automatically entitled to make certain transactions by telephone or, to the extent available, electronically. You may also authorize other people to make certain transaction requests by telephone or, to the extent available, electronically by sending us instructions in writing in a form acceptable to us. We cannot guarantee that you or any other person you authorize will always be able to reach us to complete a telephone or electronic transaction; for example, all telephone lines may be busy or access to our website may be unavailable during certain periods, such as periods of substantial market fluctuations or other drastic economic or market change, or telephones or the Internet may be out of service or unavailable during severe weather conditions or other emergencies. Under these circumstances, you should submit your request in writing (or other form acceptable to us). Transaction instructions we receive by telephone or electronically before the close of the New York Stock Exchange, which usually closes at 4:00 p.m. Eastern time, on any Business Day will usually be effective at the end of that day, and we will provide you confirmation of each telephone or electronic transaction.

We have established procedures reasonably designed to confirm that instructions communicated by telephone or electronically are genuine. These procedures may require any person requesting a telephone or electronic transaction to provide certain personal identification upon our request. We may also record all or part of any telephone conversation with respect to transaction instructions. We reserve the right to deny any transaction request made by telephone or electronically. You are authorizing us to accept and to act upon instructions received by telephone or electronically with respect to your Contract, and you agree that, so long as we comply with our procedures, neither we, any of our affiliates, nor any Fund, or any of their directors, trustees, officers, employees or agents will be liable for any loss, liability, cost or expense (including attorneys' fees) in connection with requests that we believe to be genuine. This policy means that so long as we comply with our procedures, you will bear the risk of loss arising out of the telephone or electronic transaction privileges of your Contract. If a Contract has Joint Owners, each Owner may individually make telephone and/or electronic transaction requests.

The authorization to make transactions by telephone or, to the extent available, electronically, will terminate when we receive notification of your death, and telephone or electronic transactions will no longer be accepted.

Electronic Information Consent

Subject to availability, you may authorize us to provide prospectuses, prospectus supplements, reports, annual statements, statements and immediate confirmations, tax forms, proxy solicitations, privacy notice and other notices and documentation in electronic format when available instead of receiving paper copies of these documents by U.S. mail. You may enroll in this service by so indicating on the application, via our Internet website, or by sending us instructions in writing in a form acceptable to us to receive such documents electronically. Not all contract documentation and notifications may be currently available in electronic format. You will continue to receive paper copies of any documents and notifications not available in electronic format by U.S. mail. For jointly owned contracts, both owners are consenting to receive information electronically. Documents will be available on our Internet website. As documents become available, we will notify you of this by sending you an e-mail message that will include instructions on how to retrieve the document. You must have ready access to a computer with Internet access, an active e-mail account to receive this information electronically, and the ability to read and retain it. You may access and print all documents provided through this service.

If you plan on enrolling in this service, or are currently enrolled, please note that:

- There is no charge for electronic delivery, although your Internet provider may charge for Internet access.
- You should provide a current e-mail address and notify us promptly when your e-mail address changes.
- You should update any e-mail filters that may prevent you from receiving e-mail notifications from us.
- You may request a paper copy of the information at any time for no charge, even though you consented to electronic delivery, or if you decide to revoke your consent.
- For jointly owned contracts, all information will be provided to the e-mail address that is provided to us.
- Electronic delivery will be cancelled if e-mails are returned undeliverable.
- This consent will remain in effect until you revoke it.

If you are currently enrolled in this service, please call (800) 748-6907 if you would like to revoke your consent, wish to receive a paper copy of the information above, or need to update your e-mail address. You may opt out of electronic delivery at any time.

Timing of Payments and Transactions

For withdrawals including exchanges under Code Section 1035 and other Qualified transfers, from the Variable Investment Options or for death benefit payments attributable to your Variable Account Value, we will normally send the proceeds within 7 calendar days after your request is effective or after the Notice Date, as the case may be. We will normally effect periodic annuity payments on the day that corresponds to the Annuity Date and will make payment on the following Business Day. Payments or transfers may be suspended for a longer period under certain extraordinary circumstances. These include: a closing of the New York Stock Exchange other than on a regular holiday or weekend; a trading restriction imposed by the SEC; or an emergency declared by the SEC. Payments (including fixed annuity payments), withdrawals or transfers from the General Account may be delayed for up to six months after the request is effective.

Confirmations, Statements and Other Reports to Contract Owners

Confirmations will be sent out for unscheduled Purchase Payments and transfers, unscheduled partial withdrawals, a full withdrawal and optional living benefit rider Automatic Resets. Periodically, we will send you a statement that provides certain information pertinent to your Contract. These statements disclose Contract Value, Subaccount values, fees and charges applied to your Contract Value, transactions made and specific Contract data that apply to your Contract. Confirmations of your transactions under the pre-authorized investment program, portfolio rebalancing, and pre-authorized withdrawal options will appear on your quarterly account statements. Your fourth-quarter statement will contain annual information about your Contract Value and transactions. You may also access these statements online.

If you suspect an error on a confirmation or quarterly statement, you must notify us in writing as soon as possible to ensure proper accounting to your Contract. When you write, tell us your name, contract number and a description of the suspected error. We assume transactions are accurate unless you notify us otherwise within 30 calendar days of receiving the transaction confirmation or, if the transaction is first confirmed on the quarterly statement, within 30 calendar days of receiving the quarterly statement. All transactions are deemed final and may not be changed after the applicable 30 calendar day period.

You will also be sent an annual report for the Separate Account and the Funds and a list of the securities held in each Portfolio of the Funds, as required by the 1940 Act; or more frequently if required by law.

Contract Owner Mailings. To help reduce expenses, environmental waste and the volume of mail you receive, only one copy of Contract Owner documents (such as the prospectus, supplements, announcements, and each annual and semi-annual report) may be mailed to Contract Owners who share the same household address (Householding). If you are already participating, you may opt out by contacting us. Please allow 30 calendar days for regular delivery to resume. You may also elect to participate in Householding by

writing or calling us. The current documents are available on our website any time or an individual copy of any of these documents may be requested – see the last page of this Prospectus for more information.

Cybersecurity

Our business is highly dependent upon the effective operation of our computer systems and those of our business partners. As a result, our business is potentially susceptible to operational and information security risks associated with the technologies, processes and practices designed to protect networks, systems, computers, programs and data from attack, damage or unauthorized access. These risks include, among other things, the theft, loss, misuse, corruption and destruction of data maintained online or digitally, denial of service on websites and other operational disruption, and unauthorized release of confidential customer information. Cyber-attacks affecting us, any third party administrator, the underlying Funds, intermediaries, and other affiliated or third-party service providers may adversely affect us and your Contract Value. For instance, cyber-attacks may interfere with contract transaction processing, including the processing of orders from our website or with the underlying Funds; impact our ability to calculate Accumulated Unit Values, Subaccount Unit Values or an underlying Fund to calculate a net asset value; cause the release and possible destruction of confidential customer or business information; impede order processing; subject us and/or our service providers and intermediaries to regulatory fines and financial losses; and/or cause reputational damage. Cybersecurity risks may also impact the issuers of securities in which the underlying Funds invest, which may cause the Funds underlying your Contract to lose value. The constant change in technologies and increased sophistication and activities of hackers and others, continue to pose new and significant cybersecurity threats. While measures have been developed that are designed to reduce cybersecurity risks, there can be no guarantee or assurance that we, the underlying Funds, or our service providers will not suffer losses affecting your Contract due to cyber-attacks or information security breaches in the future.

Distribution Arrangements

We and PSD, our broker-dealer and our affiliate, entered into a selling agreement with Schwab. The contracts are sold exclusively through Schwab and Schwab is not affiliated with us or PSD. PSD and Schwab are registered as broker-dealers with the SEC and are members of The Financial Industry Regulatory Authority (“FINRA”). Schwab is a subsidiary of The Charles Schwab Corporation and an affiliate of CSIM, the investment adviser for the Schwab Annuity Portfolios and the Schwab ETFs including certain ETFs in which the Schwab Annuity Portfolios will invest.

PSD pays Schwab compensation for the promotion and sale of the Contracts. The individual Schwab investment professional who sells you a Contract typically will receive a portion of the compensation under the Schwab investment professional’s own arrangement with Schwab. PSD pays Schwab an annual trail commission of 0.20% of the Account Value considered in connection with the trail commission.

Additional Compensation and Revenue Sharing

To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, Schwab may receive additional payments in the form of cash, other special compensation or reimbursement of expenses, sometimes called “revenue sharing”, as mutually agreed to by PSD and Schwab. These additional compensation or reimbursement arrangements may include, for example, payments in connection with the firm’s “due diligence” examination of the contracts, payments for providing conferences or seminars, sales or training programs for invited Schwab investment professionals and other employees, payments for travel expenses, including lodging, incurred by Schwab investment professionals and other employees for such seminars or training programs, seminars for the public, advertising and sales campaigns regarding the Contracts, and payments to assist a firm in connection with its administrative systems, operations and marketing expenses and/or other events or activities sponsored by the firms. Subject to applicable FINRA rules and other applicable laws and regulations, PSD and its affiliates may contribute to, as well as sponsor, various educational programs, sales contests and/or promotions in which participating firms and their salespersons may receive prizes such as merchandise, cash, or other awards. Such additional compensation may give us greater access to Schwab investment professionals that receive such compensation or may otherwise influence the way that Schwab markets the Contracts.

These arrangements may not be applicable to all firms, and the terms of such arrangements may differ between firms. Any such compensation will not result in any additional direct charge to you by us.

The compensation and other benefits provided by PSD or its affiliates may be more or less than the overall compensation on similar or other products. This may influence your Schwab investment professional or Schwab to present this Contract over other investment vehicles available in the marketplace. You may ask your Schwab investment professional about these differing and divergent interests, how he/she is personally compensated and how Schwab is compensated for soliciting applications for the Contract.

Replacement of Life Insurance or Annuities

The term “replacement” has a special meaning in the life insurance industry and is described more fully below. Before you make your purchase decision, we want you to understand how a replacement may impact your existing plan of insurance.

A policy “replacement” occurs when a new policy or contract is purchased and, in connection with the sale, an existing policy or contract is surrendered, lapsed, forfeited, assigned to the replacing insurer, otherwise terminated, or used in a financed purchase. A “financed purchase” occurs when the purchase of a new life insurance policy or annuity contract involves the use of funds obtained from the values of an existing life insurance policy or annuity contract through withdrawal, surrender or loan.

There are circumstances in which replacing your existing life insurance policy or annuity contract can benefit you. As a general rule, however, replacement is not in your best interest. Accordingly, you should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract to determine whether replacement is in your best interest.

Reinstatements

If we are the issuer of a Contract that is being replaced, we will reinstate the original Contract within 60 calendar days of the date of delivery of the replacing contract if the Owner decides to keep the original Contract and:

- we receive notification that the replacing contract has been cancelled, including the date of cancellation, and
- the replacing insurer processes a check and forwards it to us.

The original Contract will be reinstated with its original provisions and the amount of the check will be credited to the Contract on the date that all requirements are received In Proper Form. If any charges or fees were deducted from the Contract Value at the time the Contract was replaced, these charges and fees will be credited to the Contract at the time of the reinstatement. Any charges or fees that were scheduled to be processed between the date that the Contract was replaced and the date we completed the reinstatement will be assessed upon completion of the reinstatement processing.

Financial Statements

PL&A's financial statements are contained in the Statement of Additional Information. The financial statements of Separate Account A are incorporated by reference in the Statement of Additional Information from the Annual Report of Separate Account A.

Rule 12h-7 Representation

In reliance on the exemption provided by Rule 12h-7 of the Securities Exchange Act of 1934 ("34 Act"), we do not intend to file periodic reports as required under the 34 Act.

THE GENERAL ACCOUNT

We have contracted with Pacific Life to manage our General Account assets, subject to investment policies, objectives, directions, and guidelines established by our Board. You will not share in the investment experience of General Account assets. Unlike the Separate Account, the General Account is subject to liabilities arising from any of our other business. Any guarantees provided for under the contract or through optional riders are backed by PL&A's financial strength and claims-paying ability. You must look to the strength of the insurance company with regard to such guarantees.

CONTENTS OF THE STATEMENT OF ADDITIONAL INFORMATION

PERFORMANCE

Total Returns

Yields

Performance Comparisons and Benchmarks

Power of Tax Deferral

DISTRIBUTION OF THE CONTRACTS

Pacific Select Distributors, LLC (PSD)

THE CONTRACTS AND THE SEPARATE ACCOUNT

Calculating Subaccount Unit Values

Corresponding Dates

Age and Sex of Annuitant

Systematic Transfer Program

Pre-Authorized Withdrawals

More on Federal Tax Issues

Safekeeping of Assets

FINANCIAL STATEMENTS

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND INDEPENDENT AUDITORS

You can receive a copy of the Schwab Retirement Income Variable Annuity SAI without charge by calling us at (800) 748-6907. Schwab investment professionals may call us at (800) 610-4823.

APPENDIX A:

**GUARANTEED LIFETIME WITHDRAWAL BENEFIT (SINGLE)
SAMPLE CALCULATIONS**

The examples provided are based on certain hypothetical assumptions and are for example purposes only. Where Contract Value is reflected, the examples do not assume any specific return percentage. The examples have been provided to assist in understanding the benefits provided by this Rider and to demonstrate how Purchase Payments received and withdrawals made from the Contract prior to the Annuity Date affect the values and benefits under this Rider over an extended period of time. There may be minor differences in the calculations due to rounding. **These examples are not intended to serve as projections of future investment returns nor are they a reflection of how your Contract will actually perform.**

Example #1 – Setting of Initial Values.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Owner and Annuitant is 65 years old.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$5,000

On the Rider Effective Date, the initial values are set as follows:

- Protected Payment Base = Initial Purchase Payment = \$100,000
- Protected Payment Amount = 5% of Protected Payment Base = \$5,000

Example #2 – Subsequent Purchase Payment.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Owner and Annuitant is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- No withdrawals taken.
- Automatic Reset at Beginning of Contract Year 2.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$5,000
Activity	\$100,000		\$200,000	\$200,000	\$10,000
Year 2 Contract Anniversary (Prior to Automatic Reset)			\$207,000	\$200,000	\$10,000
Year 2 Contract Anniversary (After Automatic Reset)			\$207,000	\$207,000	\$10,350

Immediately after the \$100,000 subsequent Purchase Payment during Contract Year 1, the Protected Payment Base is increased by the Purchase Payment amount to \$200,000 (\$100,000 + \$100,000). The Protected Payment Amount after the Purchase Payment is equal to \$10,000 (5% of the Protected Payment Base after the Purchase Payment).

An automatic reset takes place at Year 2 Contract Anniversary, since the Contract Value (\$207,000) is higher than the Protected Payment Base (\$200,000). This resets the Protected Payment Base to \$207,000 and the Protected Payment Amount to \$10,350 (5% x \$207,000).

In addition to Purchase Payments, the Contract Value is further subject to increases and/or decreases during each Contract Year as a result of charges, fees and other deductions, and increases and/or decreases in the investment performance of the Variable Account.

Example #3 – Withdrawal Not Exceeding Protected Payment Amount.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Owner and Annuitant is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal lower than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$221,490.
- Automatic Resets at Beginning of Contract Years 2 and 3.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$5,000
Activity	\$100,000		\$200,000	\$200,000	\$10,000
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$10,000
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$10,350
Activity		\$5,000	\$216,490 (after \$5,000 withdrawal)	\$207,000	\$5,350
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$216,490	\$207,000	\$10,350
Year 3 Contract Anniversary	(After Automatic Reset)		\$216,490	\$216,490	\$10,825

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1 and #2**.

An automatic reset takes place at Year 2 Contract Anniversary, since the Contract Value (\$207,000) is higher than the Protected Payment Base (\$200,000). This reset increases the Protected Payment Base to \$207,000 and the Protected Payment Amount to \$10,350 (5% × \$207,000).

Because the \$5,000 withdrawal during Contract Year 2 did not exceed the \$10,350 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base remains unchanged.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary (see **balances at Year 3 Contract Anniversary – Prior to Automatic Reset**), an automatic reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (see **balances at Year 3 Contract Anniversary – After Automatic Reset**). As a result, the Protected Payment Amount after the automatic reset at the Year 3 Contract Anniversary is equal to \$10,825 (5% of the reset Protected Payment Base).

Example #4 – Withdrawal Exceeding Protected Payment Amount.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Owner and Annuitant is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal greater than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$195,000.
- Automatic Resets at Beginning of Contract Years 2 and 3.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$5,000
Activity	\$100,000		\$200,000	\$200,000	\$10,000
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$10,000
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$10,350
Activity		\$30,000	\$165,000 (after \$30,000 withdrawal)	\$184,975	\$0
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$192,000	\$184,975	\$9,249
Year 3 Contract Anniversary	(After Automatic Reset)		\$192,000	\$192,000	\$9,600

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1 and #2**.

Because the \$30,000 withdrawal during Contract Year 2 exceeds the \$10,350 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base immediately after the withdrawal will be reduced based on the following calculation:

First, determine the excess withdrawal amount, which is the total withdrawal amount less the Protected Payment Amount:
 $\$30,000 - \$10,350 = \$19,650$.

Second, determine the reduction percentage by dividing the excess withdrawal amount computed above by the difference between the Contract Value and the Protected Payment Amount immediately before the withdrawal: $\$19,650 \div (\$195,000 - \$10,350) = 0.1064$ or 10.64%.

Third, determine the new Protected Payment Base by reducing the Protected Payment Base immediately prior to the withdrawal by the percentage computed above: $\$207,000 - (\$207,000 \times 10.64\%) = \$184,975$.

The Protected Payment Amount immediately after the withdrawal is equal to \$0. This amount is determined by multiplying the Protected Payment Base before the withdrawal by 5% and then subtracting all of the withdrawals made during that Contract Year: $(5\% \times \$207,000) - \$30,000 = -\$19,650$ or \$0, since the Protected Payment Amount can't be less than zero.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an automatic reset occurs that increases the Protected Payment Base to an amount equal to 100% of the Contract Value on that date. **(Compare the balances at Year 3 Contract Anniversary Prior to and After Automatic Reset).**

Example #5 – Early Withdrawal.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Owner and Annuitant is 62 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal greater than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$221,490.
- Automatic Resets at Beginning of Contract Years 2, 3 and 4.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$0
Activity	\$100,000		\$200,000	\$200,000	\$0
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$0
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$0
Activity		\$25,000	\$196,490 (after \$25,000 withdrawal)	\$182,000	\$0

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$196,490	\$182,000	\$0
Year 3 Contract Anniversary	(After Automatic Reset)		\$196,490	\$196,490	\$0
Year 4 Contract Anniversary	(Prior to Automatic Reset)		\$205,000	\$196,490	\$0
Year 4 Contract Anniversary	(After Automatic Reset)		\$205,000	\$205,000	\$10,250

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1 and #2**.

Because the \$25,000 withdrawal during **Contract Year 2** exceeds the \$0 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base immediately after the withdrawal will be reduced based on the following calculation:

First, determine the early withdrawal amount. The early withdrawal amount is the total withdrawal amount of \$25,000.

Second, determine the reduction percentage by dividing the early withdrawal amount determined by the Contract Value prior to the withdrawal: $\$25,000 \div \$221,490 = 0.1129$ or 11.29%.

Third, determine the new Protected Payment Base by reducing the Protected Payment Base immediately prior to the withdrawal by the greater of (a) the total withdrawal amount (\$25,000) and (b) the reduction percentage ($\$207,000 \times 11.29\%$) = \$23,370. Since \$25,000 is greater than \$23,370, the new Protected Payment Base is computed by subtracting \$25,000 from the prior Protected Payment Base: $\$207,000 - \$25,000 = \$182,000$.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an Automatic Reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (**compare balances at Year 3 Contract Anniversary – Prior to and After Automatic Reset**). The Protected Payment Amount remains at \$0 since the oldest Owner (youngest Annuitant for Non-Natural Owner) has not reached age 65.

At Year 4 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an Automatic Reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (**compare balances at Year 4 Contract Anniversary – Prior to and After Automatic Reset**). The Protected Payment Amount is set to \$10,250 ($5\% \times \$205,000$) since the oldest Owner (youngest Annuitant for Non-Natural Owner) reached age 65.

Example #6 – RMD Withdrawals.

This is an example of the effect of cumulative RMD Withdrawals during the Contract Year that exceed the Protected Payment Amount established for that Contract Year and its effect on the Protected Payment Base. The Annual RMD Amount is based on the entire interest of your Contract as of the previous year-end.

This table assumes quarterly withdrawals of only the Annual RMD Amount during the Contract Year. The calculated Annual RMD amount for the Calendar Year is \$7,500 and the Contract Anniversary is May 1 of each year

Activity Date	RMD Withdrawal	Non-RMD Withdrawal	Annual RMD Amount	Protected Payment Base	Protected Payment Amount
05/01/2006 Contract Anniversary				\$100,000	\$5,000
01/01/2007			\$7,500		
03/15/2007	\$1,875			\$100,000	\$3,125
05/01/2007 Contract Anniversary				\$100,000	\$5,000
06/15/2007	\$1,875			\$100,000	\$3,125
09/15/2007	\$1,875			\$100,000	\$1,250
12/15/2007	\$1,875			\$100,000	\$0
01/01/2008			\$8,000		
03/15/2008	\$2,000			\$100,000	\$0
05/01/2008 Contract Anniversary				\$100,000	\$5,000

Since the RMD Amount for 2008 increases to \$8,000, the quarterly withdrawals of the RMD Amount increase to \$2,000, as shown by the RMD Withdrawal on March 15, 2008. Because all withdrawals during the Contract Year were RMD Withdrawals, there is no adjustment to the Protected Payment Base for exceeding the Protected Payment Amount. In addition, each contract year the Protected Payment Amount is reduced by the amount of each withdrawal until the Protected Payment Amount is zero.

This chart assumes quarterly withdrawals of the Annual RMD Amount and other non-RMD Withdrawals during the Contract Year. The calculated Annual RMD amount and Contract Anniversary are the same as above.

Activity Date	RMD Withdrawal	Non-RMD Withdrawal	Annual RMD Amount	Protected Payment Base	Protected Payment Amount
05/01/2006 Contract Anniversary			\$0	\$100,000	\$5,000
01/01/2007			\$7,500		
03/15/2007	\$1,875			\$100,000	\$3,125
04/01/2007		\$2,000		\$100,000	\$1,125
05/01/2007 Contract Anniversary				\$100,000	\$5,000
06/15/2007	\$1,875			\$100,000	\$3,125
09/15/2007	\$1,875			\$100,000	\$1,250
11/15/2007		\$4,000		\$96,900	\$0

On 3/15/07 there was an RMD Withdrawal of \$1,875 and on 4/1/07 a non-RMD Withdrawal of \$2,000. Because the total withdrawals during the Contract Year (5/1/06 through 4/30/07) did not exceed the Protected Payment Amount of \$5,000 there was no adjustment to the Protected Payment Base. On 5/1/07, the Protected Payment Amount was re-calculated (5% of the Protected Payment Base) as of that Contract Anniversary.

On 11/15/07, there was a non-RMD Withdrawal (\$4,000) that caused the cumulative withdrawals during the Contract Year (\$7,750) to exceed the Protected Payment Amount (\$5,000). As the withdrawal exceeded the Protected Payment Amount immediately prior to the withdrawal (\$1,250), and assuming the Contract Value was \$90,000 immediately prior to the withdrawal, the Protected Payment Base is reduced to \$96,900.

The Values shown below are based on the following assumptions immediately before the excess withdrawal:

- Contract Value = \$90,000
- Protected Payment Base = \$100,000
- Protected Payment Amount = \$1,250

A withdrawal of \$4,000 was taken, which exceeds the Protected Payment Amount of \$1,250. The Protected Payment Base will be reduced based on the following calculation:

First, determine the excess withdrawal amount. The excess withdrawal amount is the total withdrawal amount less the Protected Payment Amount. Numerically, the excess withdrawal amount is \$2,750 (total withdrawal – amount Protected Payment Amount; \$4,000 – \$1,250 = \$2,750).

Second, determine the ratio for the proportionate reduction. The ratio is the excess withdrawal amount determined above divided by (Contract Value – Protected Payment Amount); the calculation is based on the Contract Value and the Protected Payment Amount values immediately before the excess withdrawal. Numerically, the ratio is 3.10% ($\$2,750 \div (\$90,000 - \$1,250)$; $\$2,750 \div \$88,750 = 0.0310$ or 3.10%).

Third, determine the new Protected Payment Base. The Protected Payment Base will be reduced on a proportionate basis. The Protected Payment Base is multiplied by 1 less the ratio determined above. Numerically, the new Protected Payment Base is \$96,900 (Protected Payment Base \times (1 – ratio); $\$100,000 \times (1 - 3.10\%)$; $\$100,000 \times 96.90\% = \$96,900$).

Example #7 – Lifetime Income.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date

- Every Owner and Annuitant is 65 years old.
- No subsequent Purchase Payments are received.
- Withdrawals, each equal to 5% of the Protected Payment Base are taken each Contract Year.
- No Automatic Reset or Owner-Elected Reset is assumed during the life of the Rider.
- Death occurred during Contract Year 26 after the \$5,000 withdrawal was made.

Contract Year	Withdrawal	End of Year Contract Value	Protected Payment Base	Protected Payment Amount
1	\$5,000	\$96,489	\$100,000	\$5,000
2	\$5,000	\$92,410	\$100,000	\$5,000
3	\$5,000	\$88,543	\$100,000	\$5,000
4	\$5,000	\$84,627	\$100,000	\$5,000
5	\$5,000	\$80,662	\$100,000	\$5,000
6	\$5,000	\$76,648	\$100,000	\$5,000
7	\$5,000	\$72,583	\$100,000	\$5,000
8	\$5,000	\$68,467	\$100,000	\$5,000
9	\$5,000	\$64,299	\$100,000	\$5,000
10	\$5,000	\$60,078	\$100,000	\$5,000
11	\$5,000	\$55,805	\$100,000	\$5,000
12	\$5,000	\$51,478	\$100,000	\$5,000
13	\$5,000	\$47,096	\$100,000	\$5,000
14	\$5,000	\$42,660	\$100,000	\$5,000
15	\$5,000	\$38,168	\$100,000	\$5,000
16	\$5,000	\$33,619	\$100,000	\$5,000
17	\$5,000	\$29,013	\$100,000	\$5,000
18	\$5,000	\$24,349	\$100,000	\$5,000
19	\$5,000	\$19,626	\$100,000	\$5,000
20	\$5,000	\$14,844	\$100,000	\$5,000
21	\$5,000	\$10,002	\$100,000	\$5,000
22	\$5,000	\$5,099	\$100,000	\$5,000
23	\$5,000	\$0	\$100,000	\$5,000
24	\$5,000	\$0	\$100,000	\$5,000
25	\$5,000	\$0	\$100,000	\$5,000
26	\$5,000	\$0	\$100,000	\$5,000

On the Rider Effective Date, the initial values are set as follows:

- Protected Payment Base = Initial Purchase Payment = \$100,000
- Protected Payment Amount = 5% of Protected Payment Base = \$5,000

Because the amount of each withdrawal does not exceed the Protected Payment Amount immediately prior to the withdrawal (\$5,000), the Protected Payment Base remains unchanged.

Withdrawals of 5% of the Protected Payment Base will continue to be paid each year (even after the Contract Value has been reduced to zero) until the date of death of an Owner or the date of death of the sole surviving Annuitant (death of any Annuitant for Non-Natural Owners), whichever occurs first.

APPENDIX B:

**GUARANTEED LIFETIME WITHDRAWAL BENEFIT (JOINT)
SAMPLE CALCULATIONS**

The examples provided are based on certain hypothetical assumptions and are for example purposes only. Where Contract Value is reflected, the examples do not assume any specific return percentage. The examples have been provided to assist in understanding the benefits provided by this Rider and to demonstrate how Purchase Payments received and withdrawals made from the Contract prior to the Annuity Date affect the values and benefits under this Rider over an extended period of time. There may be minor differences in the calculations due to rounding. **These examples are not intended to serve as projections of future investment returns nor are they a reflection of how your Contract will actually perform.**

Example #1 – Setting of Initial Values.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Designated Life is 65 years old.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$4,500

On the Rider Effective Date, the initial values are set as follows:

- Protected Payment Base = Initial Purchase Payment = \$100,000
- Protected Payment Amount = 4.5% of Protected Payment Base = \$4,500

Example #2 – Subsequent Purchase Payment.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Designated Life is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- No withdrawals taken.
- Automatic Reset at Beginning of Contract Year 2.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$4,500
Activity	\$100,000		\$200,000	\$200,000	\$9,000
Year 2 Contract Anniversary (Prior to Automatic Reset)			\$207,000	\$200,000	\$9,000
Year 2 Contract Anniversary (After Automatic Reset)			\$207,000	\$207,000	\$9,315

Immediately after the \$100,000 subsequent Purchase Payment during Contract Year 1, the Protected Payment Base is increased by the Purchase Payment amount to \$200,000 (\$100,000 + \$100,000). The Protected Payment Amount after the Purchase Payment is equal to \$9,000 (4.5% of the Protected Payment Base after the Purchase Payment).

An automatic reset takes place at Year 2 Contract Anniversary, since the Contract Value (\$207,000) is higher than the Protected Payment Base (\$200,000). This resets the Protected Payment Base to \$207,000 and the Protected Payment Amount to \$9,315 (4.5% × \$207,000).

In addition to Purchase Payments, the Contract Value is further subject to increases and/or decreases during each Contract Year as a result of charges, fees and other deductions, and increases and/or decreases in the investment performance of the Variable Account.

Example #3 – Withdrawal Not Exceeding Protected Payment Amount.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Designated Life is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal lower than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$221,490.
- Automatic Resets at Beginning of Contract Years 2 and 3.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$4,500
Activity	\$100,000		\$200,000	\$200,000	\$9,000
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$9,000
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$9,315
Activity		\$5,000	\$216,490 (after \$5,000 withdrawal)	\$207,000	\$4,315
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$216,490	\$207,000	\$9,315
Year 3 Contract Anniversary	(After Automatic Reset)		\$216,490	\$216,490	\$9,742

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1** and **#2**.

An automatic reset takes place at Year 2 Contract Anniversary, since the Contract Value (\$207,000) is higher than the Protected Payment Base (\$200,000). This reset increases the Protected Payment Base to \$207,000 and the Protected Payment Amount to \$9,315 ($4.5\% \times \$207,000$).

Because the \$5,000 withdrawal during Contract Year 2 did not exceed the \$9,315 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base remains unchanged.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary (**see balances at Year 3 Contract Anniversary – Prior to Automatic Reset**), an automatic reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (**see balances at Year 3 Contract Anniversary – After Automatic Reset**). As a result, the Protected Payment Amount after the automatic reset at the Year 3 Contract Anniversary is equal to \$9,742 (4.5% of the reset Protected Payment Base).

Example #4 – Withdrawal Exceeding Protected Payment Amount.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Designated Life is 65 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal greater than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$195,000.
- Automatic Resets at Beginning of Contract Years 2 and 3.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$4,500
Activity	\$100,000		\$200,000	\$200,000	\$9,000
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$9,000
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$9,315
Activity		\$30,000	\$165,000 (after \$30,000 withdrawal)	\$183,940	\$0
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$192,000	\$183,940	\$8,277
Year 3 Contract Anniversary	(After Automatic Reset)		\$192,000	\$192,000	\$8,640

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1** and **#2**.

Because the \$30,000 withdrawal during Contract Year 2 exceeds the \$9,315 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base immediately after the withdrawal will be reduced based on the following calculation:

First, determine the excess withdrawal amount, which is the total withdrawal amount less the Protected Payment Amount:
 $\$30,000 - \$9,315 = \$20,685$.

Second, determine the reduction percentage by dividing the excess withdrawal amount computed above by the difference between the Contract Value and the Protected Payment Amount immediately before the withdrawal: $\$20,685 \div (\$195,000 - \$9,315) = 0.1114$ or 11.14%.

Third, determine the new Protected Payment Base by reducing the Protected Payment Base immediately prior to the withdrawal by the percentage computed above: $\$207,000 - (\$207,000 \times 11.14\%) = \$183,940$.

The Protected Payment Amount immediately after the withdrawal is equal to \$0. This amount is determined by multiplying the Protected Payment Base before the withdrawal by 4.5% and then subtracting all of the withdrawals made during that Contract Year: $(4.5\% \times \$207,000) - \$30,000 = -\$20,685$ or \$0, since the Protected Payment Amount can't be less than zero.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an automatic reset occurs that increases the Protected Payment Base to an amount equal to 100% of the Contract Value on that date. **(Compare the balances at Year 3 Contract Anniversary Prior to and After Automatic Reset).**

Example #5 – Early Withdrawal.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- Every Designated Life is 62 years old.
- A subsequent Purchase Payment of \$100,000 is received during Contract Year 1.
- A withdrawal greater than the Protected Payment Amount is taken during Contract Year 2.
- Contract Value immediately before withdrawal = \$221,490.
- Automatic Resets at Beginning of Contract Years 2, 3 and 4.
- Each Contract Anniversary referenced in the table represents the first calendar day of the applicable Contract Year.

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Rider Effective Date	\$100,000		\$100,000	\$100,000	\$0
Activity	\$100,000		\$200,000	\$200,000	\$0
Year 2 Contract Anniversary	(Prior to Automatic Reset)		\$207,000	\$200,000	\$0
Year 2 Contract Anniversary	(After Automatic Reset)		\$207,000	\$207,000	\$0
Activity		\$25,000	\$196,490 (after \$25,000 withdrawal)	\$182,000	\$0

	Purchase Payment	Withdrawal	Contract Value	Protected Payment Base	Protected Payment Amount
Year 3 Contract Anniversary	(Prior to Automatic Reset)		\$196,490	\$182,000	\$0
Year 3 Contract Anniversary	(After Automatic Reset)		\$196,490	\$196,490	\$0
Year 4 Contract Anniversary	(Prior to Automatic Reset)		\$205,000	\$196,490	\$0
Year 4 Contract Anniversary	(After Automatic Reset)		\$205,000	\$205,000	\$9,225

For an explanation of the values and activities at the start of and during Contract Year 1, refer to **Examples #1 and #2**.

Because the \$25,000 withdrawal during **Contract Year 2** exceeds the \$0 Protected Payment Amount immediately prior to the withdrawal, the Protected Payment Base immediately after the withdrawal will be reduced based on the following calculation:

First, determine the early withdrawal amount. The early withdrawal amount is the total withdrawal amount of \$25,000.

Second, determine the reduction percentage by dividing the early withdrawal amount determined by the Contract Value prior to the withdrawal: $\$25,000 \div \$221,490 = 0.1129$ or 11.29%.

Third, determine the new Protected Payment Base by reducing the Protected Payment Base immediately prior to the withdrawal by the greater of (a) the total withdrawal amount (\$25,000) and (b) the reduction percentage ($\$207,000 \times 11.29\%$) = \$23,370. Since \$25,000 is greater than \$23,370, the new Protected Payment Base is computed by subtracting \$25,000 from the prior Protected Payment Base: $\$207,000 - \$25,000 = \$182,000$.

At Year 3 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an Automatic Reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (**compare balances at Year 3 Contract Anniversary – Prior to and After Automatic Reset**). The Protected Payment Amount remains at \$0 since the youngest Designated Life has not reached age 65.

At Year 4 Contract Anniversary, since the Protected Payment Base was less than the Contract Value on that Contract Anniversary, an Automatic Reset occurs which increases the Protected Payment Base to an amount equal to 100% of the Contract Value (**compare balances at Year 4 Contract Anniversary – Prior to and After Automatic Reset**). The Protected Payment Amount is set to \$9,225 ($4.5\% \times \$205,000$) since the youngest Designated Life reached age 65.

Example #6 – RMD Withdrawals.

This is an example of the effect of cumulative RMD Withdrawals during the Contract Year that exceed the Protected Payment Amount established for that Contract Year and its effect on the Protected Payment Base. The Annual RMD Amount is based on the entire interest of your Contract as of the previous year-end.

This table assumes quarterly withdrawals of only the Annual RMD Amount during the Contract Year. The calculated Annual RMD amount for the Calendar Year is \$7,500 and the Contract Anniversary is May 1 of each year

Activity Date	RMD Withdrawal	Non-RMD Withdrawal	Annual RMD Amount	Protected Payment Base	Protected Payment Amount
05/01/2006 Contract Anniversary				\$100,000	\$4,500
01/01/2007			\$7,500		
03/15/2007	\$1,875			\$100,000	\$2,625
05/01/2007 Contract Anniversary				\$100,000	\$4,500
06/15/2007	\$1,875			\$100,000	\$2,625
09/15/2007	\$1,875			\$100,000	\$750
12/15/2007	\$1,875			\$100,000	\$0
01/01/2008			\$8,000		
03/15/2008	\$2,000			\$100,000	\$0
05/01/2008 Contract Anniversary				\$100,000	\$4,500

Since the RMD Amount for 2008 increases to \$8,000, the quarterly withdrawals of the RMD Amount increase to \$2,000, as shown by the RMD Withdrawal on March 15, 2008. Because all withdrawals during the Contract Year were RMD Withdrawals, there is no adjustment to the Protected Payment Base for exceeding the Protected Payment Amount. In addition, each contract year the Protected Payment Amount is reduced by the amount of each withdrawal until the Protected Payment Amount is zero.

This chart assumes quarterly withdrawals of the Annual RMD Amount and other non-RMD Withdrawals during the Contract Year. The calculated Annual RMD amount and Contract Anniversary are the same as above.

Activity Date	RMD Withdrawal	Non-RMD Withdrawal	Annual RMD Amount	Protected Payment Base	Protected Payment Amount
05/01/2006 Contract Anniversary			\$0	\$100,000	\$4,500
01/01/2007			\$7,500		
03/15/2007	\$1,875			\$100,000	\$2,625
04/01/2007		\$2,000		\$100,000	\$625
05/01/2007 Contract Anniversary				\$100,000	\$4,500
06/15/2007	\$1,875			\$100,000	\$2,625
09/15/2007	\$1,875			\$100,000	\$750
11/15/2007		\$4,000		\$96,360	\$0

On 3/15/07 there was an RMD Withdrawal of \$1,875 and on 4/1/07 a non-RMD Withdrawal of \$2,000. Because the total withdrawals during the Contract Year (5/1/06 through 4/30/07) did not exceed the Protected Payment Amount of \$4,500 there was no adjustment to the Protected Payment Base. On 5/1/07, the Protected Payment Amount was re-calculated (4.5% of the Protected Payment Base) as of that Contract Anniversary.

On 11/15/07, there was a non-RMD Withdrawal (\$4,000) that caused the cumulative withdrawals during the Contract Year (\$7,750) to exceed the Protected Payment Amount (\$4,500). As the withdrawal exceeded the Protected Payment Amount immediately prior to the withdrawal (\$750), and assuming the Contract Value was \$90,000 immediately prior to the withdrawal, the Protected Payment Base is reduced to \$96,360.

The Values shown below are based on the following assumptions immediately before the excess withdrawal:

- Contract Value = \$90,000
- Protected Payment Base = \$100,000
- Protected Payment Amount = \$750

A withdrawal of \$4,000 was taken, which exceeds the Protected Payment Amount of \$750. The Protected Payment Base will be reduced based on the following calculation:

First, determine the excess withdrawal amount. The excess withdrawal amount is the total withdrawal amount less the Protected Payment Amount. Numerically, the excess withdrawal amount is \$3,250 (total withdrawal amount – Protected Payment Amount; \$4,000 – \$750 = \$3,250).

Second, determine the ratio for the proportionate reduction. The ratio is the excess withdrawal amount determined above divided by (Contract Value – Protected Payment Amount); the calculation is based on the Contract Value and the Protected Payment Amount values immediately before the excess withdrawal. Numerically, the ratio is 3.64% ($\$3,250 \div (\$90,000 - \$750)$; $\$3,250 \div \$89,250 = 0.0364$ or 3.64%).

Third, determine the new Protected Payment Base. The Protected Payment Base will be reduced on a proportionate basis. The Protected Payment Base is multiplied by 1 less the ratio determined above. Numerically, the new Protected Payment Base is \$96,360 (Protected Payment Base \times (1 – ratio); $\$100,000 \times (1 - 3.64\%)$; $\$100,000 \times 96.36\% = \$96,360$).

Example #7 – Lifetime Income.

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date

- Every Owner and Annuitant is 65 years old.
- No subsequent Purchase Payments are received.
- Withdrawals, each equal to 4.5% of the Protected Payment Base are taken each Contract Year.
- No Automatic Reset or Owner-Elected Reset is assumed during the life of the Rider.
- Death occurred during Contract Year 26 after the \$4,500 withdrawal was made.

Contract Year	Withdrawal	End of Year Contract Value	Protected Payment Base	Protected Payment Amount
1	\$4,500	\$96,489	\$100,000	\$4,500
2	\$4,500	\$92,410	\$100,000	\$4,500
3	\$4,500	\$88,543	\$100,000	\$4,500
4	\$4,500	\$84,627	\$100,000	\$4,500
5	\$4,500	\$80,662	\$100,000	\$4,500
6	\$4,500	\$76,648	\$100,000	\$4,500
7	\$4,500	\$72,583	\$100,000	\$4,500
8	\$4,500	\$68,467	\$100,000	\$4,500
9	\$4,500	\$64,299	\$100,000	\$4,500
10	\$4,500	\$60,078	\$100,000	\$4,500
11	\$4,500	\$55,805	\$100,000	\$4,500
12	\$4,500	\$51,478	\$100,000	\$4,500
13	\$4,500	\$47,096	\$100,000	\$4,500
Activity (Death of first Designated Life)				
14	\$4,500	\$42,660	\$100,000	\$4,500
15	\$4,500	\$38,168	\$100,000	\$4,500
16	\$4,500	\$33,619	\$100,000	\$4,500
17	\$4,500	\$29,013	\$100,000	\$4,500
18	\$4,500	\$24,349	\$100,000	\$4,500
19	\$4,500	\$19,626	\$100,000	\$4,500
20	\$4,500	\$14,844	\$100,000	\$4,500
21	\$4,500	\$10,002	\$100,000	\$4,500
22	\$4,500	\$5,099	\$100,000	\$4,500
23	\$4,500	\$0	\$100,000	\$4,500
24	\$4,500	\$0	\$100,000	\$4,500
25	\$4,500	\$0	\$100,000	\$4,500
26	\$4,500	\$0	\$100,000	\$4,500

On the Rider Effective Date, the initial values are set as follows:

- Protected Payment Base = Initial Purchase Payment = \$100,000
- Protected Payment Amount = 4.5% of Protected Payment Base = \$4,500

Because the amount of each withdrawal does not exceed the Protected Payment Amount immediately prior to the withdrawal (\$4,500), the Protected Payment Base remains unchanged.

During Contract Year 13, the death of the first Designated Life occurred. Withdrawals of the Protected Payment Amount (4.5% of the Protected Payment Base) will continue to be paid each year (even after the Contract Value was reduced to zero) until the Rider terminates.

If there was a change in Owner, Beneficiary or marital status prior to the death of the first Designated Life that resulted in the surviving Designated Life (spouse) to become ineligible for lifetime income benefits, then the lifetime income benefits under the Rider would not continue for the surviving Designated Life and the Rider would terminate upon the death of the first Designated Life.

APPENDIX C:

**RETURN OF PURCHASE PAYMENTS DEATH BENEFIT AND
STEPPED-UP DEATH BENEFIT SAMPLE CALCULATIONS**

The examples provided are based on certain hypothetical assumptions and are for example purposes only. Where Contract Value is reflected, the examples do not assume any specific return percentage. They have been provided to assist in understanding the death benefit amount provided under the optional Return of Purchase Payments, the optional Stepped-Up Death Benefit, and to demonstrate how Purchase Payments and withdrawals made from the Contract may affect the values and benefits. There may be minor differences in the calculations due to rounding. **These examples are not intended to reflect what your actual death benefit proceeds will be or serve as projections of future investment returns nor are they a reflection of how your Contract will actually perform.**

Under the base Contract (no optional death benefit riders selected), the Death Benefit Amount is equal to the Contract Value.

THE EXAMPLES BELOW ASSUME NO OWNER CHANGE OR AN OWNER CHANGE TO THE PREVIOUS OWNER'S SPOUSE

Return of Purchase Payments Death Benefit

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- A subsequent Purchase Payment of \$25,000 is received in Contract Year 3.
- A withdrawal of \$35,000 is taken during Contract Year 6.
- A withdrawal of \$10,000 is taken during Contract Year 11.

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹
1	\$100,000		\$100,000	\$100,000
2			\$103,000	\$100,000
3			\$106,090	\$100,000
Activity	\$25,000		\$133,468	\$125,000
4			\$134,458	\$125,000
5			\$138,492	\$125,000
6			\$142,647	\$125,000
Activity		\$35,000	\$110,844	\$95,000
7			\$111,666	\$95,000
8			\$103,850	\$95,000
9			\$96,580	\$95,000
10			\$89,820	\$95,000
11			\$83,530	\$95,000
Activity		\$10,000	\$73,530	\$83,629
12			\$68,383	\$83,629
13			\$63,596	\$83,629
14 Death Occurs			\$59,144	\$83,629

¹The greater of the Contract Value or the Total Adjusted Purchase Payments represents the Death Benefit Amount.

On the Rider Effective Date, the initial values are set as follows:

- Total Adjusted Purchase Payment = Initial Purchase Payment = \$100,000
- Contract Value = Initial Purchase Payment = \$100,000

During Contract Year 3, an additional Purchase Payment of \$25,000 was made. The Total Adjusted Purchase Payment amount increased to \$125,000. The Contract Value increased to \$133,468.

During Contract Year 6, a withdrawal of \$35,000 was made. This withdrawal reduced the Total Adjusted Purchase Payment amount on a pro rata basis to \$95,000 and decreased the Contract Value to \$110,844. Numerically, the new Total Adjusted Purchase Payment amount is calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$145,844, which equals the \$110,844 Contract Value after the withdrawal plus the \$35,000 withdrawal amount). Numerically, the percentage is 24.00% ($\$35,000 \div \$145,844 = 0.2400$ or 24.00%).

Second, determine the new Total Adjusted Purchase Payment amount. The Total Adjusted Purchase Payment amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payment amount is \$95,000 (Total Adjusted Purchase Payment amount prior to the withdrawal $\times (1 - \text{Pro Rata Reduction})$); $\$125,000 \times (1 - 24.00\%)$; $\$125,000 \times 76.00\% = \$95,000$).

During Contract Year 11, a withdrawal of \$10,000 was made. This withdrawal reduced the Total Adjusted Purchase Payment amount on a pro rata basis to \$83,629 and decreased the Contract Value to \$73,530. Numerically, the new Total Adjusted Purchase Payment amount is calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$83,530, which equals the \$73,530 Contract Value after the withdrawal plus the \$10,000 withdrawal amount). Numerically, the percentage is 11.97% ($\$10,000 \div \$83,530 = 0.1197$ or 11.97%).

Second, determine the new Total Adjusted Purchase Payment amount. The Total Adjusted Purchase Payment amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payment amount is \$83,629 (Total Adjusted Purchase Payment prior to the withdrawal $\times (1 - \text{Pro Rata Reduction})$); $\$95,000 \times (1 - 11.97\%)$; $\$95,000 \times 88.03\% = \$83,629$).

During Contract Year 14, death occurs. The Death Benefit Amount under the Return of Purchase Payments Death Benefit will be the Total Adjusted Purchase Payments (\$83,629) because that amount is greater than the Contract Value (\$59,144).

Using the table above, if death occurred in Contract Year 7, the Death Benefit Amount under the Return of Purchase Payments Death Benefit would be the Contract Value (\$111,666) because that amount is greater than the Total Adjusted Purchase Payment of \$95,000.

Stepped-Up Death Benefit

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- A subsequent Purchase Payment of \$25,000 is received in Contract Year 3.
- A withdrawal of \$35,000 is taken during Contract Year 6.
- Annual Step-Ups occur on each of the first 7 Contract Anniversaries.

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹	Guaranteed Minimum (Stepped-Up) Death Benefit Amount
1	\$100,000		\$100,000	\$100,000	\$100,000
2			\$103,000	\$100,000	\$103,000
3			\$106,090	\$100,000	\$106,090
Activity	\$25,000		\$133,468	\$125,000	\$131,090
4			\$134,458	\$125,000	\$134,458
5			\$138,492	\$125,000	\$138,492
6			\$142,647	\$125,000	\$142,647
Activity		\$35,000	\$110,844	\$95,000	\$108,412

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹	Guaranteed Minimum (Stepped-Up) Death Benefit Amount
7			\$111,666	\$95,000	\$111,666
8			\$103,850	\$95,000	\$111,666
9			\$96,580	\$95,000	\$111,666
Death Occurs			\$89,820	\$95,000	\$111,666

¹ The greater of the Contract Value or the Total Adjusted Purchase Payments represents the Death Benefit Amount.

On the Rider Effective Date, the initial values are set as follows:

- Total Adjusted Purchase Payment = Initial Purchase Payment = \$100,000
- Guaranteed Minimum (Stepped-Up) Death Benefit Amount = Initial Purchase Payment = \$100,000
- Contract Value = Initial Purchase Payment = \$100,000

During Contract Year 3, an additional Purchase Payment of \$25,000 was made. This results in an increase in the Total Adjusted Purchase Payment amount to \$125,000. The Contract Value increased to \$133,468 and the Guaranteed Minimum (Stepped-Up) Death Benefit Amount increased to \$131,090.

During Contract Year 6, a withdrawal of \$35,000 was made. This withdrawal reduced the Total Adjusted Purchase Payment amount on a pro rata basis to \$95,000 and decreased the Contract Value to \$110,844. In addition, the Guaranteed Minimum (Stepped-Up) Death Benefit Amount was reduced on a pro rata basis to \$108,412. Numerically, the new Total Adjusted Purchase Payment and Guaranteed Minimum (Stepped-Up) Death Benefit Amount is calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$145,844, which equals the \$110,844 Contract Value after the withdrawal plus the \$35,000 withdrawal amount). Numerically, the percentage is 24.00% ($\$35,000 \div \$145,844 = 0.2400$ or 24.00%)

Second, determine the new Total Adjusted Purchase Payment amount. The Total Adjusted Purchase Payment amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payment amount is \$95,000 (Total Adjusted Purchase Payment amount prior to the withdrawal \times (1 – Pro Rata Reduction); $\$125,000 \times (1 - 24.00\%)$; $\$125,000 \times 76.00\% = \$95,000$).

Third, determine the new Guaranteed Minimum (Stepped-Up) Death Benefit Amount. The Guaranteed Minimum (Stepped-Up) Death Benefit Amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Guaranteed Minimum (Stepped-Up) Death Benefit Amount is \$108,412 (Guaranteed Minimum (Stepped-Up) Death Benefit Amount prior to the withdrawal \times (1 – Pro Rata Reduction); $\$142,647 \times (1 - 24.00\%)$; $\$142,647 \times 76.00\% = \$108,412$).

During Contract Year 9, death occurs. The death benefit proceeds are the greater of the Death Benefit Amount (Contract Value or Total Adjusted Purchase Payments) or the Guaranteed Minimum (Stepped-Up) Death Benefit Amount. The Death Benefit Amount is \$95,000 because the Total Adjusted Purchase Payments (\$95,000) is greater than the Contract Value (\$89,820). The death benefit proceeds are equal to the Guaranteed Minimum (Stepped-Up) Death Benefit Amount of \$111,666 because it is greater than the Death Benefit Amount (Total Adjusted Purchase Payments of \$95,000).

THE EXAMPLES BELOW ASSUME OWNER CHANGE TO SOMEONE OTHER THAN PREVIOUS OWNER'S SPOUSE, TO A TRUST OR NON-NATURAL ENTITY WHERE THE OWNER AND ANNUITANT ARE NOT THE SAME PERSON PRIOR TO THE CHANGE OR IF AN OWNER IS ADDED THAT IS NOT A SPOUSE OF THE OWNER

Return of Purchase Payments Death Benefit

The values shown below are based on the following assumptions:

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- A subsequent Purchase Payment of \$25,000 is received in Contract Year 3.
- A withdrawal of \$35,000 is taken during Contract Year 6.
- Owner change to someone other than previous Owner's Spouse during Contract Year 8.
- A withdrawal of \$10,000 is taken during Contract Year 11.

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹
1	\$100,000		\$100,000	\$100,000
2			\$103,000	\$100,000
3			\$106,090	\$100,000
Activity	\$25,000		\$133,468	\$125,000
4			\$134,458	\$125,000
5			\$138,492	\$125,000
6			\$142,647	\$125,000
Activity		\$35,000	\$110,844	\$95,000
7			\$111,666	\$95,000
8			\$103,850	\$95,000
Owner Change			\$100,735	\$95,000
9			\$96,580	\$95,000
10			\$89,820	\$95,000
11			\$83,530	\$95,000
Activity		\$10,000	\$73,530	\$83,629
12			\$68,383	\$83,629
13			\$63,596	\$83,629
14 Death Occurs			\$59,144	\$83,629

¹The greater of the Contract Value or the Total Adjusted Purchase Payments represents the Death Benefit Amount.

On the Rider Effective Date, the initial values are set as follows:

- Total Adjusted Purchase Payment = Initial Purchase Payment = \$100,000
- Contract Value = Initial Purchase Payment = \$100,000

During Contract Year 3, an additional Purchase Payment of \$25,000 was made. The Total Adjusted Purchase Payment amount increased to \$125,000. The Contract Value increased to \$133,468.

During Contract Year 6, a withdrawal of \$35,000 was made. This withdrawal reduced the Total Adjusted Purchase Payment amount on a pro rata basis to \$95,000 and decreased the Contract Value to \$110,844. Numerically, the new Total Adjusted Purchase Payment amount is calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$145,844, which equals the \$110,844 Contract Value after the withdrawal plus the \$35,000 withdrawal amount). Numerically, the percentage is 24.00% ($\$35,000 \div \$145,844 = 0.2400$ or 24.00%).

Second, determine the new Total Adjusted Purchase Payment amount. The Total Adjusted Purchase Payment amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payment amount is \$95,000 (Total Adjusted Purchase Payment amount prior to the withdrawal $\times (1 - \text{Pro Rata Reduction})$; $\$125,000 \times (1 - 24.00\%)$; $\$125,000 \times 76.00\% = \$95,000$).

During Contract Year 8, an Owner change to someone other than the previous Owner's spouse occurred. The Total Adjusted Purchase Payments on the effective date of the Owner change (the "Change Date") will be reset to equal the lesser of the Contract Value as of the Change Date or the Total Adjusted Purchase Payments as of the Change Date. Numerically, the Total Adjusted Purchase Payments amount will be \$95,000 since the Total Adjusted Purchase Payments as of the Change Date (\$95,000) is less than the Contract Value as of the Change Date (\$100,735).

After the Change Date, the Total Adjusted Purchase Payments will be increased by any Purchase Payments made after the Change Date and will be reduced by any Pro Rata Reduction for withdrawals made after the Change Date.

During Contract Year 11, a withdrawal of \$10,000 was made. This withdrawal reduced the Total Adjusted Purchase Payments amount on a pro rata basis to \$83,629 and decreased the Contract Value to \$73,530. Numerically, the new Total Adjusted Purchase Payments amount is calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$83,530, which equals the \$73,530 Contract Value after the withdrawal plus the \$10,000 withdrawal amount). Numerically, the percentage is 11.97% ($\$10,000 \div \$83,530 = 0.1197$ or 11.97%).

Second, determine the new Total Adjusted Purchase Payments amount. The Total Adjusted Purchase Payments amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payments amount is \$83,629 (Total Adjusted Purchase Payments amount prior to the withdrawal $\times (1 - \text{Pro Rata Reduction})$; $\$95,000 \times (1 - 11.97\%)$; $\$95,000 \times 88.03\% = \$83,629$).

During Contract Year 14, death occurs. The Death Benefit Amount under the Return of Purchase Payments Death Benefit will be the Total Adjusted Purchase Payments (\$83,629) because that amount is greater than the Contract Value (\$59,144).

Using the table above, if death occurred in Contract Year 7, the Death Benefit Amount under the Return of Purchase Payments Death Benefit would be the Contract Value (\$111,666) because that amount is greater than the Total Adjusted Purchase Payment of \$95,000.

Stepped-Up Death Benefit

- Initial Purchase Payment = \$100,000
- Rider Effective Date = Contract Date
- A subsequent Purchase Payment of \$25,000 is received in Contract Year 3.
- Owner change to someone other than previous Owner's Spouse during Contract Year 5.
- A withdrawal of \$35,000 is taken during Contract Year 6.
- Annual Step-Ups occur on each of the first 7 Contract Anniversaries.

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹	Guaranteed Minimum (Stepped-Up) Death Benefit Amount
1	\$100,000		\$100,000	\$100,000	\$100,000
2			\$103,000	\$100,000	\$103,000
3			\$106,090	\$100,000	\$106,090
Activity	\$25,000		\$133,468	\$125,000	\$131,090
4			\$134,458	\$125,000	\$134,458
5			\$138,492	\$125,000	\$138,492

Beginning of Contract Year	Purchase Payments Received	Withdrawal Amount	Contract Value ¹	Total Adjusted Purchase Payments ¹	Guaranteed Minimum (Stepped-Up) Death Benefit Amount
Owner Change			\$140,569	\$125,000	\$125,000
6			\$142,647	\$125,000	\$142,647
Activity		\$35,000	\$110,844	\$95,000	\$108,412
7			\$111,666	\$95,000	\$111,666
8			\$103,850	\$95,000	\$111,666
9			\$96,580	\$95,000	\$111,666
Death Occurs			\$89,820	\$95,000	\$111,666

¹ The greater of the Contract Value or the Total Adjusted Purchase Payments represents the Death Benefit Amount.

On the Rider Effective Date, the initial values are set as follows:

- Total Adjusted Purchase Payment = Initial Purchase Payment = \$100,000
- Guaranteed Minimum (Stepped-Up) Death Benefit Amount = Initial Purchase Payment = \$100,000
- Contract Value = Initial Purchase Payment = \$100,000

During Contract Year 3, an additional Purchase Payment of \$25,000 was made. This results in an increase in the Total Adjusted Purchase Payment amount to \$125,000. The Contract Value increased to \$133,468 and the Guaranteed Minimum (Stepped-Up) Death Benefit Amount increased to \$131,090.

During Contract Year 5, an Owner change to someone other than the previous Owner's spouse occurred. The Total Adjusted Purchase Payments on the effective date of the Owner change (the "Change Date") will be reset to equal the lesser of the Contract Value as of the Change Date or the Total Adjusted Purchase Payments as of the Change Date. Numerically, the Total Adjusted Purchase Payments amount will be \$125,000 since the Total Adjusted Purchase Payments as of the Change Date (\$125,000) is less than the Contract Value as of the Change Date (\$140,569). In addition, the Guaranteed Minimum (Stepped-Up) Death Benefit Amount will be reset to equal the Total Adjusted Purchase Payments amount (\$125,000) as of the Change Date.

During Contract Year 6, a withdrawal of \$35,000 was made. This withdrawal reduced the Total Adjusted Purchase Payments amount on a pro rata basis to \$95,000 and decreased the Contract Value to \$110,844. In addition, the Guaranteed Minimum (Stepped-Up) Death Benefit Amount was reduced on a pro rata basis to \$108,412. Numerically, the new Total Adjusted Purchase Payments amount and Guaranteed Minimum (Stepped-Up) Death Benefit Amount are calculated as follows:

First, determine the Pro Rata Reduction. The percentage is the withdrawal amount divided by the Contract Value prior to the withdrawal (\$145,844, which equals the \$110,844 Contract Value after the withdrawal plus the \$35,000 withdrawal amount). Numerically, the percentage is 24.00% ($\$35,000 \div \$145,844 = 0.2400$ or 24.00%)

Second, determine the new Total Adjusted Purchase Payments amount. The Total Adjusted Purchase Payments amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Total Adjusted Purchase Payments amount is \$95,000 (Total Adjusted Purchase Payments amount prior to the withdrawal \times (1 - Pro Rata Reduction); $\$125,000 \times (1 - 24.00\%)$; $\$125,000 \times 76.00\% = \$95,000$).

Third, determine the new Guaranteed Minimum (Stepped-Up) Death Benefit Amount. The Guaranteed Minimum (Stepped-Up) Death Benefit Amount prior to the withdrawal is multiplied by 1 less the Pro Rata Reduction determined above. Numerically, the new Guaranteed Minimum (Stepped-Up) Death Benefit Amount is \$108,412 (Guaranteed Minimum (Stepped-Up) Death Benefit Amount prior to the withdrawal \times (1 - Pro Rata Reduction); $\$142,647 \times (1 - 24.00\%)$; $\$142,647 \times 76.00\% = \$108,412$).

During Contract Year 9, death occurs. The death benefit proceeds are the greater of the Death Benefit Amount (Contract Value or Total Adjusted Purchase Payments) or the Guaranteed Minimum (Stepped-Up) Death Benefit Amount. The Death Benefit Amount is \$95,000 because the Total Adjusted Purchase Payments (\$95,000) is greater than the Contract Value (\$89,820). The death benefit proceeds are equal to the Guaranteed Minimum (Stepped-Up) Death Benefit Amount of \$111,666 because it is greater than the Death Benefit Amount (Total Adjusted Purchase Payments of \$95,000).

FINANCIAL HIGHLIGHTS (CONDENSED FINANCIAL INFORMATION)

The table below is designed to help you understand how the Variable Investment Options available under Schwab Retirement Income Variable Annuity have performed. It shows the value of a Subaccount Unit at the beginning and end of each period, as well as the number of Subaccount Units at the end of each period. A Subaccount Unit is also called an Accumulation Unit.

You should read the table in conjunction with the financial statements for Separate Account A, which are included in its annual report dated as of December 31, 2017.

	With Standard Death Benefit		
	AUV at Beginning of Year	AUV at End of Year	Number of Subaccount Units Outstanding at End of Year
Schwab VIT Balanced Portfolio			
2017	\$11.53	\$12.61	256,452
2016	\$11.07	\$11.53	314,338
2015	\$11.36	\$11.07	325,670
2014	\$10.98	\$11.36	317,530
2013	\$10.33	\$10.98	211,550
11/09/2012 - 12/31/2012	\$10.09	\$10.33	14,741
Schwab VIT Balanced with Growth Portfolio			
2017	\$12.24	\$13.83	606,042
2016	\$11.58	\$12.24	611,058
2015	\$11.94	\$11.58	602,907
2014	\$11.53	\$11.94	497,873
02/20/2013 - 12/31/2013	\$10.72	\$11.53	288,302
Schwab VIT Growth Portfolio			
2017	\$13.07	\$15.22	369,064
2016	\$12.22	\$13.07	352,526
2015	\$12.65	\$12.22	341,795
2014	\$12.24	\$12.65	313,177
02/25/2013 - 12/31/2013	\$10.82	\$12.24	334,063

WHERE TO GO FOR MORE INFORMATION

You will find more information about this variable annuity contract and Separate Account A in the Statement of Additional Information (SAI) dated May 1, 2018.

The SAI has been filed with the SEC and is considered to be part of this Prospectus because it is incorporated by reference. The contents of the SAI are described in this Prospectus – see the Table of Contents.

You can get a copy of the SAI at no charge by visiting our website, calling or writing to us, or by contacting the SEC. The SEC may charge you a fee for this information.

The Schwab Retirement Income Variable Annuity Contract is offered by Pacific Life & Annuity Company, 700 Newport Center Drive, P.O. Box 9000, Newport Beach, California 92660.

If you have any questions about the Contract, please ask your financial advisor or contact us.

How to Contact Us

Call or write our Service Center at:

Pacific Life & Annuity Company
P.O. Box 2829
Omaha, Nebraska 68103-2829

Contract Owners: (800) 748-6907
Schwab investment professionals: (800) 610-4823
6 a.m. through 5 p.m. Pacific time on any Business Day

Send Purchase Payments, other payments and application forms to our Service Center at the following address:

By mail

Pacific Life & Annuity Company
P.O. Box 2736
Omaha, Nebraska 68103-2736

By overnight delivery service

Pacific Life & Annuity Company
6750 Mercy Road, 4th Floor, RSD
Omaha, Nebraska 68106

How to Contact Schwab

Contact your Schwab investment professional or call a Schwab Annuity Specialist at (888) 311-4887, weekdays 6 a.m. through 4:30 p.m. Pacific time.

How to Contact the SEC

Commission's Public Reference Section
100 F Street, NE
Washington, D.C. 20549
(202) 551-8090
Website: www.sec.gov
e-mail: publicinfo@sec.gov

FINRA Public Disclosure Program

The Financial Industry Regulatory Authority (FINRA) provides investor protection education through its website and printed materials. The FINRA regulation website address is www.finra.org. An investor brochure that includes information describing the BrokerCheck program may be obtained from FINRA. The FINRA BrokerCheck hotline number is (800) 289-9999. FINRA does not charge a fee for the BrokerCheck program services.

(THIS PAGE INTENTIONALLY LEFT BLANK)

(THIS PAGE INTENTIONALLY LEFT BLANK)

Our Privacy Promise

- **We do not sell information about you.**
- **We do not share your information with anyone else for their marketing purposes.**
- **We use your personal information only to help maintain and grow the business relationship you have with us.**

Privacy Notice to Our Customers

As our customer, you trust us to help you achieve financial success and security. We provide this notice because you have a right to know how we protect the privacy of the personal information you share with us. Your knowledge of our privacy principles and practices will confirm the trust you have placed in us.

What Personal Information Do We Collect?

The type of information that we collect depends on the type of product or service you request. This includes:

- Information you provide on an application or other form (for example, name, address, social security number, or income).
- Information we get from other sources such as credit reporting agencies and information to verify employment or income.
- Information about your business relationship and history with us.
- Medical or health information you permit us to receive from doctors or other health care providers.

Much of the personal information we collect is obtained from you. We collect personal information needed only to service and manage your relationship with us.

How Do We Use and Disclose Your Information?

The main use of your information is to confirm your identity in the course of business that we perform at your request. We also use your information to underwrite policies or contracts, process claims, and service your relationship with us. Information may be disclosed to other entities that provide business services to us related to our relationship with you. This includes administrative, claims, or audit services. Examples are your producer/registered representative, broker, or a reinsurance company. Before we disclose your information, these entities must agree to keep it private.

We may also share information within our corporate family to service and grow the business relationship we have with you. For example, our business units provide administrative services, policy document preparation and delivery, and claims processing. Additionally, we may provide information to individuals and entities with whom you authorize us to share.

If necessary, we disclose information when it is required by law. An example is a routine filing to the Internal Revenue Service (such as a Form 1099). We may also disclose certain information to other entities to help us report or prevent fraud. Examples are reports to a regulatory or law enforcement agency.

What Medical and Health Information Do We Collect?

We may receive medical or health information about you. This may be on an application for insurance or when we process a claim, as approved by you in writing. We do not share that medical or health information among our family of companies. We do not share it with unrelated companies, except as needed to process your transactions. This may be necessary to provide services that you have requested related to your insurance coverage or payment.

How Do We Protect the Security of Your Information?

We have policies to maintain physical, electronic, and procedural safeguards to protect the confidentiality of your personal information. Access to personal information is available only to those people who need to know it in order to help service our relationship with you.

Should your relationship with us end, we will continue to follow the privacy policies described in this notice to the extent that we retain information about you. If we no longer need to retain that information, we will dispose of it in a secure manner.

Do You Need to Do Anything?

It is not necessary for you to take any action. This is because we do not share your information except to service the business relationship you have with us. You do not need to "opt-out" or "opt-in" as you may have done with other financial companies.

How Can You See And Correct Your Information?

Generally, you have the right to review the personal information we have about you. You must request this in writing. We will not disclose information we have collected in connection with a claim or lawsuit. If you believe that any of the information we have is in error, you may write us and request a correction. Where justified, corrections will be made.

Confidentiality Practices for Victims of Domestic Violence or Abuse

Pacific Life understands that certain personal information may require special handling. This may be especially true in instances where an individual is, or has been, a victim of domestic violence or abuse. This information may include the individual's address, telephone number, name and place of employment, and other contact or location information.

If you are a Pacific Life applicant, policyowner, insured or beneficiary, who is a victim of domestic violence or other abuse, and would like Pacific Life to take steps to further safeguard your information from others or need to remove a previously submitted request, our Customer Service Representatives are available to assist you.

- For Life Insurance policies that have policy numbers beginning with "2L", please call 844-276-0191 from 9:00AM-8:00PM ET.
- For all other Life Insurance policies, please call 800-374-7787 from 5:00AM-5:00PM PT.
- For Annuity Contracts, please call 800-722-4448, from 6:00AM-5:00PM PT.

Please direct inquiries about accessing or correcting your information to the address below:

Pacific Life Privacy Office
700 Newport Center Drive
Newport Beach, CA 92660

If you have questions regarding Our Privacy Promise, please call toll free

(877) 722-7848

Please have a copy of your policy or contract available when you call so we may provide you with the best service. You may also review Pacific Life's Online Privacy Policy.

Pacific Life will provide you a copy of our Privacy Promise annually.

We, Our and Us, as referred to in this notice, includes:

Pacific Life Insurance Company
Pacific Life & Annuity Company
Pacific Select Distributors, LLC
Pacific Life Fund Advisors LLC

Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features vary by state. Individual life insurance and annuity products are available in New York through Pacific Life & Annuity Company. Each company is solely responsible for the financial obligations accruing under the policies and annuity contracts it issues, and its product and rider guarantees are backed by that company's financial strength and claims-paying ability.

This privacy notice is not part of the Prospectus.

All individuals selling this product must be licensed insurance agents and registered representatives.

Schwab Retirement Income Variable Annuity is issued by Pacific Life Insurance Company and in New York by Pacific Life & Annuity Company.

©2018 Charles Schwab & Co., Inc. All rights reserved.
IAN REG68289NY-06 (05/18)
00209227

