Protection Now. Income Later.

Life Insurance Retirement Plan for Women

PACIFIC LIFE

AD-OC-749C

What are two problems facing today's woman?

1

The Family's Financial Vulnerability.

Whether you are part of a two-income family, the primary breadwinner, or the primary family caregiver, your family could suffer a financial loss if you died.

2

Your Potential For Outliving Retirement Assets.

Women typically live longer than men. That factor alone can put women at greater risk of running out of retirement assets.

Please refer to the Endnotes for numbered references throughout this publication.

Protection Now. Income Later.

Wouldn't it be nice to be able to make sure that your family was taken care of even if you were not here to do it, and also supplement your income in retirement?

A Life Insurance Retirement Plan:

- Protects your family while you are building for retirement.
- Allows you to access the policy's available cash surrender value through policy withdrawals and loans to supplement your income in retirement.[1]

How much is enough?

Your life insurance producer can help you determine the life insurance coverage that fits your insurance and financial goals.

3 Features of Life Insurance

A permanent cash value life insurance policy has three features:

- The death benefit is paid to your policy beneficiary(ies) generally income tax-free.*
- Tax-deferral on any increase in cash value.
- You can access your policy's cash surrender value for supplemental retirement income, cash emergencies or other financial needs generally income tax-free as long as your policy is properly structured.[1]

* *For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).*

Insurance products are issued by Pacific Life Insurance Company in all states except New York, and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value

Why consider life insurance to help supplement your retirement income?

Traditional sources of retirement income may not be sufficient to replace your income in retirement. As a woman, statistics indicate that you may live longer.

Annual Compensation Replacement Example

Compensation	$50,000	$70,000	$100,000	$150,000	$200,000	$250,000
401(k) Plan Deferral 10% of Compensation[2]	$5,000	$7,000	$10,000	$15,000	$17,500	$17,500
Benefits at Age 67 from 401(k) Plan[3]	$17,148	$24,012	$34,307	$51,467	$60,046	$60,046
Benefits at Age 67 from Social Security[4]	$20,904	$25,692	$29,976	$32,592	$32,640	$32,640
Total Retirement Benefits	$38,052	$49,704	$64,283	$84,509	$92,686	$92,686
% of Compensation	76.1%	71.0%	64.3%	56.0%	46.3%	37.1%

Where do I start?

To be prepared for retirement, you first need to establish what your retirement income needs will be as well as identify the income level your family would require in your absence. Once you assess what your financial needs are, your next step is to look for a way to accumulate the necessary funds in a tax-efficient manner.

How do life insurance features compare with other financial products?

There are a number of available financial vehicles that you can use to help you accumulate assets for your retirement. The chart below outlines their characteristics in terms of contribution limits, accumulation and distribution tax characteristics.

	Annual Limits on Contributions	Pre-Tax Contributions	Tax-Deferred Accumulation	Tax-Preferred Distribution	Income Tax-Free Distributions at Death
Traditional IRA†	Yes	Yes	Yes	No	No
Roth IRA	Yes	No	Yes	Yes‡‡	Yes †††
Qualified Plan	Yes	Yes	Yes	No	No
CD‡	No	No	No	No	No
Mutual Fund§	No	No	No	No	No
Municipal Bond Fund**	No	No	Yes	Yes	No
Individual Owned Deferred Annuity	No	No	Yes	No§§	No
Life Insurance	No††	No	Yes	Yes***	Yes*

Depending on your financial goals and retirement income needs, one or more of the above options may be right for you. In some situations, after you have maximized your qualified plan contributions, a life insurance policy can provide an income tax-free death benefit to your beneficiaries* and may also be an ideal complement to your existing retirement plan as it can provide supplemental retirement income.

† *Individual Retirement Account*

‡ *A Certificate of Deposit (CD) is FDIC Insured*

§ *Mutual funds may be subject to income tax and/or capital gains taxation. Consult your tax advisor for more information.*

** *Generally, interest paid on municipal bonds is tax-free, but not all municipal bonds are exempt from federal and/or state income tax. Some bonds may be subject to capital gains tax at sale. Consult your tax advisor for more information.*

†† *There is not a specific limit on dollars allocated to purchase life insurance; however, there are maximum premium limits determined by a specified policy Face Amount. A policy will qualify as life insurance if it meets the requirements of IRC Sec. 7702, which includes limits on the amount of premium that may be paid into a specific Face Amount and still qualify as life insurance.*

‡‡ *A Roth IRA allows you to make contributions with after-tax money without current income tax deductions. You pay taxes now and may enjoy tax-free income (IRC Sec. 408A(d)(1)) later, provided you hold the Roth IRA for at least five years and don't take distributions before reaching age 59½. If you do not meet the five years and attaining age 59½ requirements and need to take a distribution, you may owe income tax on earnings, and a 10% federal tax penalty may apply to the earnings and prior converted amounts. Similar to the traditional IRA, there are exceptions to the 10% federal tax penalty for withdrawals and the 59½ age requirement, such as first-time home purchase, death, disability, certain qualifying medical expenses, health insurance premiums, or higher-education expenses.*

§§ *Upon distribution, when a contract annuitizes, a portion of principal is included in the annuity payout. The principal portion is not subject to tax (IRC Sec. 72).*

*** *Tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC Secs. 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.*

††† *A distribution from a Roth IRA generally is income tax free (IRC Sec. 408A(d)(1)) if (a) it meets all the requirements for a qualified distribution (which include a 5-year waiting period and one of several additional requirements, one being that the distribution is made to a beneficiary on or after the death of the individual), or (b) it is a nonqualified distribution to the extent of after-tax contributions (basis).*

How do I structure a life insurance retirement plan?

Work with your life insurance producer to determine if the life insurance retirement plan fits your insurance and financial needs. If the plan does fit, your life insurance producer can help you:

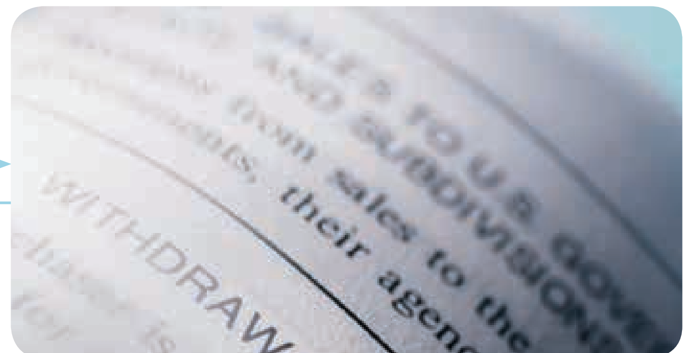
1. Select the type of life insurance policy that fits your risk tolerance and time horizon.
2. Structure the ownership and beneficiaries. Typically, you will be the owner and insured of the policy. As the owner, you designate the policy's beneficiaries.
3. Configure the policy's planned premiums to accept maximum premium payments relative to the desired death benefit. That way the policy's cash value has greater potential to grow over time.

How does it work?

1. The Individual/Policyowner

An individual purchases a life insurance policy insuring her life to provide her family with death benefit protection and a source of supplemental retirement income. The insured retains ownership of the policy.

Life Insurance Policy



Annual Premiums

Supplemental Retirement Income

Death Benefit Proceeds

2. The Insured/Policyowner

At retirement, the insured/policyowner may be able to take potentially tax-free income through withdrawals and policy loans from the life insurance policy's cash surrender value.[1,5]

3. The Heirs

In the event of the insured's death, heirs can elect to receive either a lump sum, federal income tax-free death benefit* or cash distributions over a specific number of years.

* *For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).*

Endnotes

1 *Tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC Secs. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.*

2 *The maximum contribution for 2014 is $17,500. However, if you will attain age 50 before the close of the plan year, you will also be eligible to defer an additional $5,500 as a catch-up contribution. In order to take advantage of the catch-up contribution election, you must first defer and contribute the full $17,500 of your pay during the plan year. Chart does not reflect the use of the catch-up provision. The maximum annual contribution may differ for other types of qualified plans.*

3 *Benefits from the 401(k) assume: (1) An individual age 45; (2) Contributions made for 22 yrs.; (3) Annual contribution increases at a rate of 2%; (4) 401(k) assets accumulate at 8% and payout is based on a single life annuity purchased at age 67.*

4 *Social Security benefits are based on the 2013 Quick Benefit Calculator at www.ssa.gov. Calculations assume: (1) An individual age 45 in 2014 will receive full Social Security benefits at age 67; (2) A worker's past earnings are based on the national average wage indexing series with a relative growth factor of 2%; (3) Current earnings stay the same until age 67 and are limited to the 2014 taxable maximum of $117,000.*

5 *The amount of policy loans and withdrawals will depend on various factors that include policy performance and policy fees or expenses. Policy fees and expenses encompass premium loads, cost of insurance charges, administrative fees and charges, surrender charges or any other charges that may be incurred under the policy. A personalized illustration reflecting the effect of policy fees and expenses can be obtained from your financial advisor.*

Vital Information

This factfinder is provided to help you and your life insurance producer better understand your goals and objectives. Please return the information to your life insurance producer and not to Pacific Life as we cannot and do not provide financial, legal or tax advice.

Insured: ______________________________ Date of Birth: ______________

Spouse: ______________________________ Date of Birth: ______________

Risk Status: Insured S______________ NS ______________ Spouse: S___________ NS ___________

Combined Total Compensation: $ ____________ Federal Tax Bracket ______________ % State Tax Bracket ___________ %

Retirement: Age______________________ Annual Income: $______________________

Life Insurance In Force: $______________________ Death Benefit Required: $ ______________________

Include: Waiver of Charges Rider: Yes _________ No ________ Disability Benefit Rider: Yes _________ No___________

Total Premium: $ ______________________ Years to Pay:______________________

Frequency: Monthly ________________ Quarterly _____________ Semi-Annually ______________ Annually _____________

Any other information you would like to share:

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Life Insurance Producer's Name

State Insurance License Number
(or affix your business card)

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