

# INCOME HORIZON™

Guaranteed lifetime income is on the horizon



**PACIFIC LIFE**

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# Unfinished business: DC plans face a retirement income challenge

Reaching retirement with savings is only half the journey. It's time to finish what we started.

For decades, DC plans were effective at driving participant savings. By addressing early risk with automation—including auto-enrollment, auto-escalation, and Qualified Default Investment Alternatives (QDIAs)—the industry built powerful tools to support accumulation. But accumulation was never the finish line. It was always meant to be the foundation.

Participants need more than a savings balance at retirement. They need a clear path to transform those savings into the security of guaranteed income, similar to a lifelong paycheck. Until now, most DC plans left that part of the job undone. Once participants move from saving to spending, they face an entirely new set of risks—and they're largely on their own. DC plans were built to solve the first set of risks. Income Horizon was built to solve the rest by giving participants a retirement plan that goes the distance.

## Six key risks on the road to *and through* retirement

### Accumulation (savings) period

- 1) **Participation risk** – Employees may delay or avoid enrolling, missing valuable years of contributions and compounding.
- 2) **Contribution risk** – Participants may save too little or fail to increase contributions over time.
- 3) **Investment risk** – Market volatility and allocation decisions can significantly affect long-term outcomes.

### Decumulation (spending) period

- 4) **Conversion risk** – Turning a lump sum into reliable income is a challenge most participants aren't equipped to solve alone.
- 5) **Market risk** – Markets can decline just as retirement begins, permanently reducing the assets participants spent decades building.
- 6) **Longevity risk** – The possibility that participants may outlive their savings has increased.

Offering a modern in-plan guaranteed income solution allows you to transform savings plans into true retirement plans—with income participants can count on for life. Here's why that matters, and why the advisors moving first are winning:

**The longevity reality has changed everything.** Americans are living longer than ever before, but without the income certainty that pensions provided to previous generations. Today's workers need a modern equivalent: guaranteed income they can count on no matter what markets do or how long they live.

**The demand is there. The differentiation is yours.** A growing number of plans are actively seeking in-plan income solutions. Advisors who bring the answer stand apart as the ones who see the whole picture.

**The best plans are already doing it.** Leading DC plans are embedding guaranteed lifetime income directly into their menus. This solution makes that transition straightforward for you and seamless for participants.

**Peace of mind has real business value.** Guaranteed income keeps participants calmer during volatility and gives you a more compelling story to tell every plan sponsor you meet.

The transition from earning a living to living off earnings is the defining moment in your clients' financial lives. You can be the advisor who helps make that moment possible.



Accumulation gets participants to retirement, but income gets them through it. Both parts of the journey demand a plan.

Income Horizon is a modern in-plan lifetime income solution designed specifically to support participants not just to retirement, but through it.

# Income Horizon: From savings to guaranteed paychecks for life

## PHASE 1: THE ACCUMULATION HORIZON

*Building future income, deliberately and transparently.*

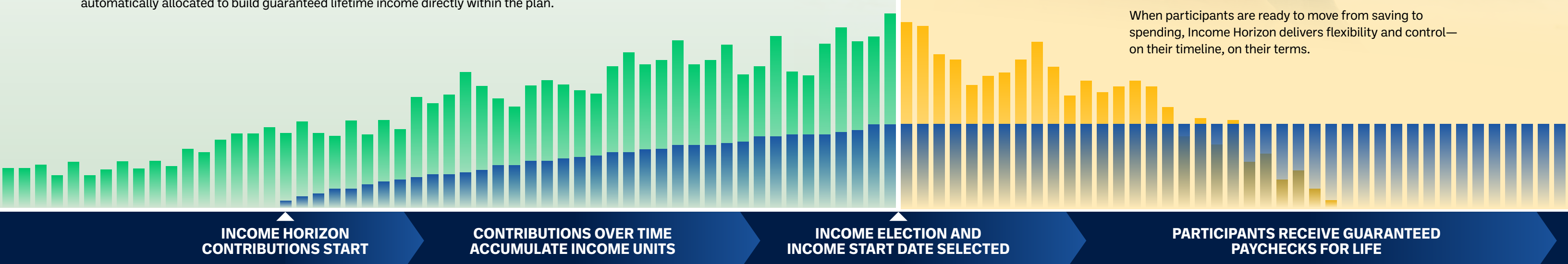
Income Horizon is an in-plan deferred income solution delivered through a Collective Investment Trust (CIT) structure. Beginning at age 50, a portion of participant deferrals is automatically allocated to build guaranteed lifetime income directly within the plan.

CONVERSION

## PHASE 2: THE INCOME HORIZON

*Converting savings into guaranteed paychecks for life.*

When participants are ready to move from saving to spending, Income Horizon delivers flexibility and control—on their timeline, on their terms.

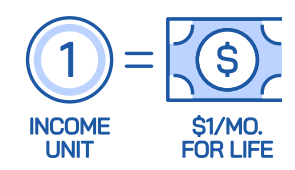


### A solution built for the way advisors actually design plans

Defined Contribution plans were built for accumulation. Income Horizon was built for what comes next—a guaranteed lifetime income solution designed to function as a distinct income asset class, integrated within the plan structures advisors already use, including managed accounts and personalized target-date strategies.

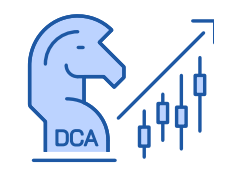
For plan sponsors, offering guaranteed lifetime income signals a meaningful commitment to participant outcomes—and helps fulfill the plan’s core purpose. For advisors, it’s an opportunity to deepen relationships and demonstrate leadership.

### What sets Income Horizon apart



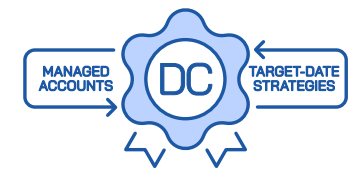
#### Income certainty

Each Income Horizon Income Unit equals \$1 per month of guaranteed lifetime income<sup>1</sup>—a specific, locked-in amount that doesn’t fluctuate with markets or interest rates. Unlike benefit-based alternatives that project future income, Income Horizon empowers participants to track their accumulated income with clarity and precision. There is no ambiguity about what they’re building.



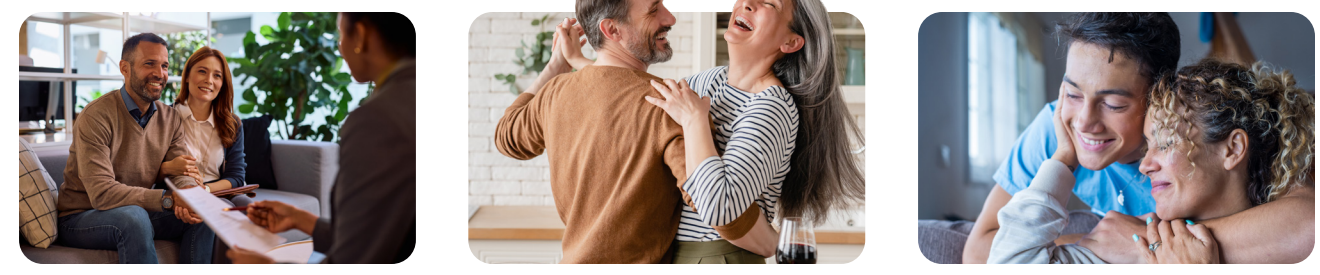
#### Similar to dollar-cost averaging

Rather than converting savings in a single, rate-sensitive transaction, Income Horizon purchases income gradually over time, similar to dollar-cost averaging, mitigating interest rate timing risk at retirement and supporting a smoother transition from saving to spending. This takes a concept participants already understand and applies it to income.



#### Built for DC, priced for DC

Income Horizon integrates naturally into the plan structures advisors already use—including managed accounts and personalized target-date strategies—delivered through a CIT structure. The pricing is straightforward, and unlike some income solutions, there’s no layered complexity that leaves participants asking, “What am I paying for?”



<sup>1</sup>For institutional plan sponsor/financial consultant use only. Not for use with the public.

<sup>1</sup>Assumes a Single Life option with payments beginning at age 70. For institutional plan sponsor/financial consultant use only. Not for use with the public.

# Their retirement. Their terms. Your methodology.

## For the participant

With Income Horizon, participants enjoy liquidity and flexibility as they accumulate savings, along with options that help protect their savings if income is elected. That control can reduce initial hesitation about selecting Income Horizon within their plan account and encourage them to stay the course once it's in place.

### Here's how it works. Participants may:

- Opt in to Income Horizon, if not automatically defaulted through their QDIA.
- Begin receiving income as early as age 59 ½ or as late as the Required Minimum Distribution (RMD) date.
- Choose an income stream covering one life or two.
- Annuitize all or a portion of accumulated account value into guaranteed lifetime income.

## For the participant's family

Income Horizon offers an optional Cash Refund feature that ensures, in the event of an annuitant's death, beneficiaries receive any remaining balance of the amount converted to guaranteed lifetime income.

## For you, the advisor

The advisors who bring guaranteed income to the table aren't just solving a retirement problem. They're redefining their value. Income Horizon makes possible:

- **Deeper, more durable client relationships.** When participants have guaranteed paychecks they can't outlive, conversations shift from anxiety to confidence—and that confidence reflects directly on you.
- **A practice that stands apart.** In a market where fees, funds, and fiduciary guidance have become table stakes, guaranteed lifetime income gives you a genuinely differentiated value proposition—one that's easy to sell but hard to replicate.
- **Fewer calls when markets move.** Participants with guaranteed lifetime income have a foundation that doesn't fluctuate with markets. That peace of mind reduces volatility-driven anxiety and the phone calls that often follow.
- **Flexibility without complexity.** Income Horizon integrates into existing plan structures without sacrificing the flexibility plan sponsors and participants expect, delivering guaranteed lifetime income within the plan, not around it.

## Your path to implementation

STEP 1

### Understand participant needs

Clarify what matters most to participants and plan sponsors and where guaranteed lifetime income fits within their broader retirement strategies.

STEP 2

### Ensure plan readiness

Confirm plan documents permit annuity distributions and complete applicable fiduciary review steps under regulatory safe harbor guidance.

STEP 3

### Select a QDIA and introduce Income Horizon

Incorporate Income Horizon within your preferred QDIA, bringing guaranteed lifetime income to participants within the plan's existing structure and without disruption.

## Make Income Horizon part of your plan strategy

Getting started is easy because Income Horizon was designed to fit how advisors already build and manage retirement plans. Choose one of two implementation options:

### Use your own methodology

Advisors may use their own fiduciary methodology to allocate directly to Income Horizon.

### Tap into additional support

Pacific Life has partnered with fiduciary specialists at both the participant and plan level who automatically allocate a portion of participant deferrals to Income Horizon, when appropriate.



# PACIFIC LIFE

## Strength. Stability. Solutions.

**Providing retirement security through guaranteed paychecks for life isn't just a product feature—it reflects our financial strength and commitment to long-term promises.**

Pacific Life is proud to support employers nationwide and the more than one million participants who have access to a Pacific Life Defined Contribution Lifetime Income (DCLI) solution within their retirement plan. Backed by strong financial ratings and nearly 160 years of stability, Pacific Life stands behind the promises we make, helping participants feel confident that their income will be there throughout retirement. That's Pacific Life.



**Connect with Pacific Life today to discuss product fit, availability, and implementation for your clients.**

Call (877) 536-4382 (Option 1) or email at [retirementincome@pacificlife.com](mailto:retirementincome@pacificlife.com).

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Income Horizon is a Group Annuity Contract issued to an Income Horizon Collective Investment Trust (CIT) by Pacific Life Insurance Company, which is licensed to issue insurance products in all states except New York. Upon annuitization, New York residents may be issued a certificate under a Group Annuity Contract issued by Pacific Life & Annuity Company, which is licensed to issue insurance products in all states, including New York.

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Contract form series: GRC-1550, ICC24:2510 (and state variations)

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