PACIFIC LIFE

HELP OFFSET THE IMPACT OF TAXES

Using the Optional Earnings Enhancement Death Benefit (EEDB)

What Is EEDB?

This optional death benefit is available with certain Pacific Life variable annuities for an additional cost. The extra benefit amount is meant to help pay taxes on the contract's earnings, so heirs don't have to dip into their inheritances to pay taxes.

While Markets May Be Uncertain, Leaving a Legacy Doesn't Need to Be

Adding EEDB to a variable annuity can help provide additional security when planning a legacy. That's because EEDB adds a percentage of the contract's earnings to the beneficiary benefit amount to help manage the tax burden of the annuity's death benefit:

Adds 40% of Earnings	Adds 25% of Earnings
if the owners/annuitants are **age 0–69 at issue**	if the owners/annuitants are **age 70–75 at issue**

Earnings are equal to the contract value on the date of death minus the remaining purchase payments.[1] There is no limit to total earnings.

See EEDB in Action

A hypothetical example:

- Age of owner/annuitant: 0–69
- Assumes no withdrawals were taken
- Assumes no additional optional benefits were elected

Purchase Payment	Account Value at Death	EEDB Amount	To Beneficiaries
$100,000	$400,000	$300,000 x 40% = **$120,000**	$400,000 + $120,000 = **$520,000**

If you purchase this optional benefit, an annual fee of 0.25% will be deducted from your contract value on each contract anniversary. The contract must have growth in excess of the remaining purchase payments in order for EEDB to be applicable. If there are no earnings in the contract, no benefit will be paid, and you will have incurred the charge but not received a benefit. The EEDB amount is treated as earnings and may be taxable. In addition, the EEDB amount may affect the beneficiary's adjusted gross income and marginal income-tax bracket. Withdrawals from the contract will reduce any earnings and decrease the EEDB amount.

A beneficiary benefit is referred to as a death benefit in the prospectus.

[1]The remaining purchase payments are equal to all purchase payments minus an amount for withdrawals. Withdrawals are assumed to be taken from earnings first, then from purchase payments, so the amount for withdrawals is the amount that each withdrawal exceeds the amount of earnings in the contract immediately prior to the withdrawal.

Pacific Life Insurance Company

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Under current law, a nonqualified annuity that is owned by an individual is generally entitled to tax deferral. IRAs and qualified plans—such as 401(k)s and 403(b)s—are already tax-deferred. Therefore, a deferred annuity should be used only to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral. These include lifetime income, death benefit options, and the ability to transfer among investment options without sales or withdrawal charges.

Annuity withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal income tax may apply. A withdrawal charge and a market value adjustment (MVA) also may apply. Withdrawals will reduce the contract value and the value of the death benefit, and also may reduce the value of any optional benefits.

Insurance product and rider guarantees, including optional benefits and any fixed crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options. They are not backed by the broker-dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product/material availability and features may vary by state.

Variable insurance products are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company. Product/material availability and features may vary by state.

The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

Contract Form Series: 10-1352, 10-1025, 10-1212
Rider Series: 20-1297, 20-1307
State variations to contract form series and rider series may apply.
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