

WHAT'S A QLAC?

QUALIFYING LONGEVITY ANNUITY CONTRACT

A Guaranteed Income Solution for Plan Sponsors and their Participants from Pacific Life

A Secure Retirement with a QLAC

A financially secure retirement is a good thing, and a Qualifying Longevity Annuity Contract (QLAC) can help retirees have confidence they won't outlive their savings. A QLAC is named by the IRS and is a lifetime-income option that becomes payable later in retirement, generally between ages 80 to 85. Purchased at retirement, this option provides a source of income payable monthly once the starting age is reached. The reasons to consider a QLAC include:

- Protecting a long life with guaranteed income at later ages to cover cost-of-living increases, rent, property tax increases, etc.
- Covering additional healthcare costs, increased prescription costs, including long-term care, even long-term care premiums
- Deferring taxes on income, as this is an allowable option to delay required withdrawals related to retirement benefits

And with the passage of the SECURE Act 2.0, QLACs have additional benefits, such as higher investment limits, now up from \$135,000 to \$210,000.

QLAC DETAILS

PRODUCT FEATURE	QLAC PROVISIONS
Purchase Decision	Opt-in
Issue Ages	Minimum: 59.5 / Maximum: 70
Purchase Window	Ongoing
Purchase Payments	Single Premium Minimum: \$10,000 / Maximum: \$210,000
Default Payment Start Date	1st day of month* following 15 years of deferral**
Annuity Forms	Single Life / Joint & Survivor - Percentage ranging from 50% to 75% Cash Refund available on all forms
Payment Frequency	Monthly***
Inflation Protection	N/A
Free Look Period	90 days

*Payment date can be changed after payments begin; the Annuitant may request a change to another day in the same month and may request the change up to the day prior to the scheduled payment date.

**Can elect one time to accelerate or defer payment start date during deferral period; no option to defer past the default payment start date in the event of death of participant during deferral

***Cannot be changed



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DEATH BENEFIT OPTIONS

PAYOUT OPTION	SCENARIO	DURING DEFERRAL	AFTER PAYMENTS BEGIN
Single Life	Annuitant Dies	Return of Premium, if selected	Cash Refund, if selected (and applicable)
Joint Life	Annuitant Dies (Joint Annuitant is living)	Payments reduce to selected J&S percentage, paid at scheduled date unless Joint Annuitant chooses to start payments earlier, then payments will be adjusted	Payments reduce to selected J&S percentage
	Joint Annuitant Dies (Annuitant is living)	Benefit form unchanged, payment amount remains the same or benefit form can be adjusted to actuarial equivalent single life benefit	Payments remain the same
	Last Annuitant Dies	Return of Premium, if selected	Cash Refund, if selected (and applicable)



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OF RETIREMENT

In order for the contract to be eligible as a QLAC, certain requirements under Treasury regulations must be met, including limits on the total amount of purchase payments that can be made to the contract. Qualified contracts, including traditional IRAs, Roth IRAs, and QLACs, are eligible for favorable tax treatment under the Internal Revenue Code (IRC). Certain payout options and features may not comply with various requirements for qualified contracts, which include required minimum distributions. Therefore, certain product features, including the ability to change the annuity payment start date, accelerate payments, and to exercise withdrawal features or payout options, may not be available or may have additional restrictions.

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

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