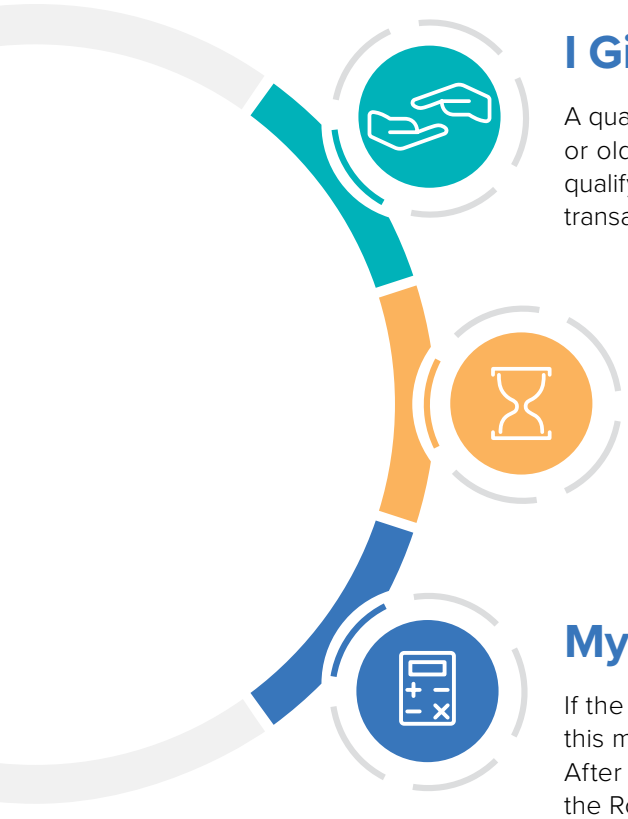
PACIFIC LIFE

REQUIRED MINIMUM DISTRIBUTIONS

(RMDs)

Q **If I don't need all or part of my RMD, is there a way to reduce the tax effect?**

A **Planning may help postpone, reduce, or potentially eliminate the consequences of RMDs taken from your IRA.**



I Give to Charity

A qualified charitable distribution (QCD) allows a traditional IRA owner age 70½ or older to contribute all, or a portion, of an RMD directly from an IRA to a qualifying charity. If the account owner is currently taking RMDs, and does the transaction correctly, the RMD is not included in adjusted gross income (AGI).[1]

I need Income Later in My Life

A qualified longevity annuity contract (QLAC) allows a traditional IRA owner to delay RMDs on a portion of an IRA by purchasing a specific type of deferred income annuity. The deferred income annuity must start payments by age 85, and the payments are ordinary income.[2]

My Current Tax Bracket Is Lower

If the Tax Cuts and Jobs Act of 2017 (TCJA) has lowered your tax bracket, this may be a good time to convert some traditional IRA assets to a Roth IRA. After meeting the holding period and age requirements, distributions from the Roth IRA are entirely tax-free.

An RMD plan can help you make the most of your traditional IRA. Consider which strategy might benefit your plan.

[1]Must be age 70½ or older and own a traditional IRA, inherited IRA, or inactive SEP-IRA or SIMPLE IRA. IRA owners (traditional, SEP, and SIMPLE) who reached age 70½ on 1/1/20 or later do not need to start RMDs until April 1 of the year following the year they turn age 72 (age 73 if born between 1951–1959; age 75 if born in 1960 or later), but may begin executing QCDs at age 70½. The maximum annual QCD is $108,000 per tax payer per calendar year (2025).

[2]The maximum QLAC aggregate purchase payment limit in 2025 is $210,000 (indexed in future years for inflation).

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No bank guarantee • Not a deposit • May lose value
Not FDIC/NCUA insured • Not insured by any federal government agency

Talk to your financial professional about tax management strategies for RMDs, and visit PacificLife.com for more information.

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Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.

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 payment options, may not be available or may have additional restrictions.

Annuity contracts may be subject to an additional 10% federal income tax for annuity payments, withdrawals, and other distributions prior to age 59½. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income.

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