
Pacific Life Applies For Possible In-Plan VA

By Editor Test *Wed, Sep 30, 2009*

The Destinations VA offers an optional 0.10% uptick in the lifetime payout rate for each of the first ten contract years or until a withdrawal.

Pacific Life has filed an application with the SEC for a Destinations variable annuity that offers an optional 0.10% increase in the lifetime payout rate for each year the owner delays taking a withdrawal during the first 10 years of the contract, if the owner is over age 59½ at issue.

The contract, which has a maximum front-end load of 5.5% (for initial premiums under \$50,000) and 75 basis point M&E fee (or, alternately, an annual 1.75% M&E), also has a loan feature, suggesting that it may be intended for use as an in-plan distribution option for retirement plan participants.

The contract's age-bands and annual lifetime payout rates begin at 4% for those under age 69, 5% for those ages 70 to 84 and 6% for those age 85 and older. During the accumulation period, there's also an annual automatic step-up of the guaranteed base to the account balance, if higher, subject to fee increases.

The contract offers a range of living benefit riders with fees ranging from 75 basis points for a guaranteed minimum account balance-type rider to 1.75% for the joint-life version of a guaranteed lifetime withdrawal benefit with a 5% annual credit during the initial 10-year waiting period and a lifetime payout rate of 5% or 6%, depending on the contract owner's age when income begins.

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