

Power Plus Tuition Advantage Plans_{sm}

**Creating a market
worth pursuing**

Why pursue the education funding market?

Most agents who have explored the education market, have found the only significant way to monetize their activity is in charging fees.

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Many have already realized the ineffectiveness of the typical life insurance design's inability to adequately provide for funding college costs.

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The commission revenue from allowable 529 plan investments leaves much to be desired.

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For your clients the effort to fund their children's higher education usually puts an enormous strain on their finances.

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Most people have to divert funding from retirement savings when dealing with saving for tuition costs.

Key Points

- The P-PTA design maximizes the effectiveness of their money by reducing the net contribution necessary to provide for tuition funding.

* Disability Completion Benefit is optional and is available by rider

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- The P-PTA design provides a retirement benefit in addition to the tuition accumulation while at the same time, reducing the overall cost (tuition accumulation and retirement income benefits, for just the cost of funding tuition).

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- Funding completion guarantees in the event of death or disability*.

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- Funding completion guarantees in the event of death or disability*.
- The P-PTA design finally creates a compelling reason to integrate life insurance in a significant way and therefore compensates you generously with full life insurance compensation.

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Key Points

Compensation Summary:

1. Life Insurance Commission

Average Funding for Tuition Savings is \$600 Per Month
Typical commission for 529 Plans?

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Compensation Summary:

1. Life Insurance Commission
2. 529 Plan (funded with freed up cash flow)
3. Consulting Fees (if applicable)

Average Funding for Tuition Savings is \$600 Per Month
Typical commission for 529 Plans?

Key Points

The Net Differential

We all know to net \$7,200 (\$600/month) at a 28% tax obligation you need to earn \$10,000!

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Your new design eliminates the lost cash flow and allows the client to utilize the formally lost \$2,800 to fund a 529 Plan.

Key Points

The Net Differential

We all know to net \$7,200 (\$600/month) at a 28% tax obligation you need to earn \$10,000!

Your new design eliminates the lost cash flow and allows the client to utilize the formally lost \$2,800 to fund a 529 Plan.

If the clients tax bracket is higher, say 40%, their cash flow savings is \$4,800 that can now be redirected.

Power Tuition Advantage Plan

For: Proud Father



Presented By: _____

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Power Tuition Advantage Plan

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Educational Needs Analysis

Educational Needs Analysis

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

For: Power Tuition Advantage Plan

A Review of Educational Funds Desired

Average Loan at Graduation is \$35,000
Paid Back over 6 years
At 6%

Year	(1) Tuition Loan Repayment Post Education	=	(2) Total Educational Funds Desired
1	0		0
2	0		0
3	0		0
4	0		0
5	0		0
6	0		0
7	0		0
8	0		0
9	0		0
10	0		0
11	0		0
12	6,711		6,711
13	6,711		6,711
14	6,711		6,711
15	6,711		6,711
16	6,711		6,711
17	6,711		6,711
18	0		0
19	0		0
20	0		0
21	0		0
22	0		0
23	0		0
24	0		0
25	0		0
26	0		0
27	0		0
28	0		0
29	0		0
30	0		0
	40,266		40,266




Illustration of Values

Average Savings \$600 Per Month with College Loan Repayments




Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

		Income Tax Rate 28.00%	Initial Payment 7,200	Initial Death Benefit 151,404					
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
1	45	7,200	0	5,330	-25.97	3,542	-50.81	151,404	2002.83
2	46	7,200	0	11,306	-15.08	10,412	-19.77	151,404	311.29
3	47	7,200	0	17,998	-8.85	17,193	-10.98	151,404	135.80
4	48	7,200	0	25,396	-4.97	24,681	-6.08	151,404	79.09
5	49	7,200	0	33,572	-2.32	32,946	-2.94	151,404	52.45
6	50	0	1,680	33,281	-0.74	32,745	-1.13	149,505	39.49
7	51	0	1,680	33,116	0.27	32,669	0.02	147,502	31.53
8	52	0	1,680	33,095	1.01	32,737	0.84	145,388	26.22
9	53	0	1,680	33,237	1.60	33,058	1.53	143,158	22.43
10	54	0	1,680	33,473	2.06	33,473	2.06	140,806	19.61
11	55	0	1,680	34,668	2.69	34,668	2.69	138,324	17.42
12	56	0	6,711	30,843	3.21	30,843	3.21	130,524	15.72
13	57	0	6,711	27,053	3.66	27,053	3.66	50,641	7.58
14	58	0	6,711	23,196	4.05	23,196	4.05	46,370	7.47
15	59	0	6,711	19,279	4.41	19,279	4.41	41,796	7.38
16	60	0	6,711	15,309	4.73	15,309	4.73	36,885	7.30
17	61	0	6,711	11,300	5.04	11,300	5.04	33,169	7.37
18	62	0	0	14,344	5.33	14,344	5.33	36,398	7.43
19	63	0	0	17,768	5.61	17,768	5.61	39,877	7.49
20	64	0	0	21,611	5.87	21,611	5.87	43,623	7.54
21	65	0	5,186	20,607	6.14	20,607	6.14	42,341	7.60
22	66	0	5,186	19,813	6.38	19,813	6.38	42,239	7.72
23	67	0	5,186	19,264	6.62	19,264	6.62	42,338	7.83
24	68	0	5,186	18,995	6.84	18,995	6.84	42,663	7.93
25	69	0	5,186	19,046	7.04	19,046	7.04	43,237	8.04
26	70	0	5,186	18,182	7.19	18,182	7.19	42,617	8.08
27	71	0	5,186	17,555	7.33	17,555	7.33	40,376	8.08
28	72	0	5,186	17,210	7.46	17,210	7.46	38,022	8.08
29	73	0	5,186	17,199	7.59	17,199	7.59	35,555	8.08
30	74	0	5,186	17,581	7.71	17,581	7.71	32,975	8.09
		36,000	102,206						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

30 Year Summary

Cum. Payments	36,000
Cum. Policy Loan Proceeds	102,206
Surrender Value	17,581
Death Benefit	32,975

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

		Income Tax Rate 28.00%	Initial Payment 7,200	Initial Death Benefit 151,404					
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
31	75	0	5,186	18,426	7.83	18,426	7.83	30,285	8.09
32	76	0	5,186	19,709	7.94	19,709	7.94	32,500	8.19
33	77	0	5,186	21,482	8.05	21,482	8.05	35,277	8.29
34	78	0	5,186	23,800	8.15	23,800	8.15	38,675	8.38
35	79	0	5,186	26,722	8.25	26,722	8.25	42,762	8.47
36	80	0	5,186	30,314	8.34	30,314	8.34	47,606	8.55
37	81	0	5,186	34,641	8.42	34,641	8.42	53,283	8.62
38	82	0	5,186	39,778	8.50	39,778	8.50	59,872	8.69
39	83	0	5,186	45,802	8.58	45,802	8.58	67,459	8.76
40	84	0	5,186	52,795	8.65	52,795	8.65	76,133	8.82
41	85	0	5,186	60,843	8.71	60,843	8.71	85,986	8.88
42	86	0	5,186	70,029	8.77	70,029	8.77	97,112	8.93
43	87	0	5,186	80,437	8.82	80,437	8.82	109,603	8.98
44	88	0	5,186	92,155	8.87	92,155	8.87	123,556	9.02
45	89	0	5,186	105,276	8.92	105,276	8.92	139,072	9.06
46	90	0	5,186	119,896	8.96	119,896	8.96	156,257	9.10
47	91	0	5,186	136,719	9.00	136,719	9.00	168,029	9.11
48	92	0	5,186	156,134	9.04	156,134	9.04	181,425	9.12
49	93	0	5,186	178,628	9.08	178,628	9.08	196,800	9.13
50	94	0	5,186	204,805	9.12	204,805	9.12	214,607	9.15
51	95	0	5,186	234,046	9.16	234,046	9.16	244,620	9.18
52	96	0	5,186	266,616	9.19	266,616	9.19	278,022	9.21
53	97	0	5,186	302,823	9.22	302,823	9.22	315,125	9.24
54	98	0	5,186	342,966	9.25	342,966	9.25	356,232	9.27
55	99	0	5,186	387,367	9.28	387,367	9.28	401,672	9.30
56	100	0	5,186	436,386	9.30	436,386	9.30	451,808	9.32
57	101	0	5,186	490,344	9.32	490,344	9.32	506,966	9.34
58	102	0	5,186	549,585	9.34	549,585	9.34	567,497	9.36
59	103	0	5,186	614,468	9.36	614,468	9.36	633,765	9.38
60	104	0	5,186	685,348	9.37	685,348	9.37	706,130	9.39
		36,000	257,786						

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60 Year Summary

Cum. Payments	36,000
Cum. Policy Loan Proceeds	257,786
Surrender Value	685,348
Death Benefit	706,130

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

		Income Tax Rate 28.00%		Initial Payment 7,200		Initial Death Benefit 151,404			
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
61	105	0	5,186	762,630	9.39	762,630	9.39	785,005	9.40
62	106	0	5,186	846,756	9.40	846,756	9.40	870,835	9.42
63	107	0	5,186	938,201	9.41	938,201	9.41	964,106	9.43
64	108	0	5,186	1,037,490	9.42	1,037,490	9.42	1,065,351	9.43
65	109	0	5,186	1,145,246	9.43	1,145,246	9.43	1,175,199	9.44
66	110	0	5,186	1,262,253	9.43	1,262,253	9.43	1,294,446	9.45
67	111	0	5,186	1,389,188	9.44	1,389,188	9.44	1,423,781	9.45
68	112	0	5,186	1,526,746	9.44	1,526,746	9.44	1,563,906	9.46
69	113	0	5,186	1,676,809	9.45	1,676,809	9.45	1,716,727	9.46
70	114	0	5,186	1,840,432	9.45	1,840,432	9.45	1,883,312	9.46
71	115	0	5,186	2,018,753	9.45	2,018,753	9.45	2,064,815	9.46
72	116	0	5,186	2,213,005	9.45	2,213,005	9.45	2,262,486	9.47
73	117	0	5,186	2,424,518	9.46	2,424,518	9.46	2,477,671	9.47
74	118	0	5,186	2,654,730	9.46	2,654,730	9.46	2,711,829	9.47
75	119	0	5,186	2,905,193	9.46	2,905,193	9.46	2,966,531	9.47

36,000

335,576

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75 Year Summary	
Cum. Payments	36,000
Cum. Policy Loan Proceeds	335,576
Surrender Value	2,905,193
Death Benefit	2,966,531

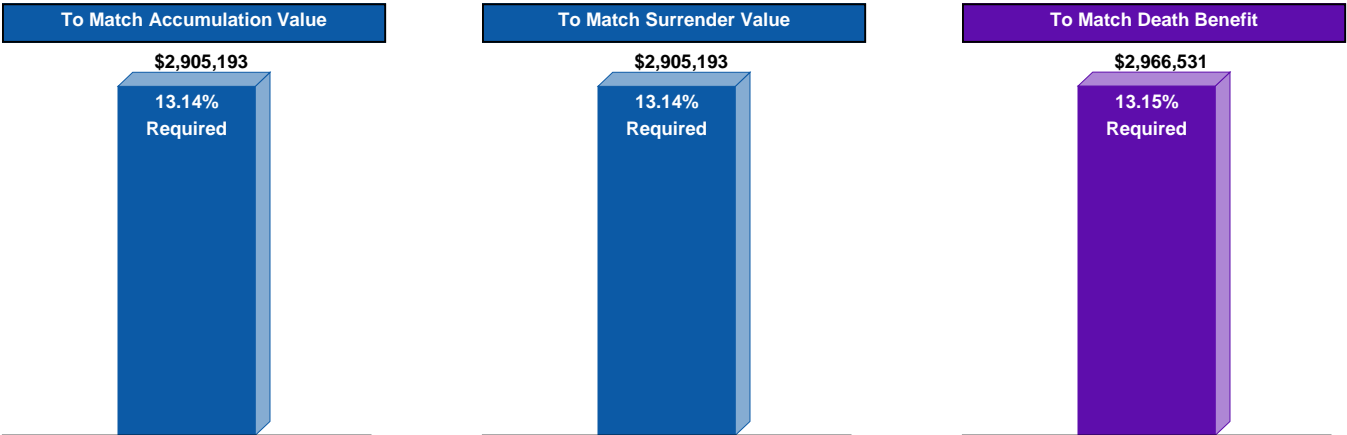
Illustration of Values

Matching Policy Values

Male	Income	Initial	Initial
Age	Tax Rate	Payment	Death Benefit
45	28.00%	7,200	151,404

**Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Pacific Indexed Performer LT Policy Values over 75 Years.**

	Hypothetical Taxable Alternative
To match Accumulation Value of: \$2,905,193	13.14%
To match Surrender Value of: \$2,905,193	13.14%
To match Death Benefit of: \$2,966,531	13.15%



Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Pacific Indexed Performer LT:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

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Illustration of Values

Average Savings \$600 Per Month with No College




Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

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1	45	7,200	0	5,330	-25.97	3,542	-50.81	151,404	2002.83
2	46	7,200	0	11,306	-15.08	10,412	-19.77	151,404	311.29
3	47	7,200	0	17,998	-8.85	17,193	-10.98	151,404	135.80
4	48	7,200	0	25,396	-4.97	24,681	-6.08	151,404	79.09
5	49	7,200	0	33,572	-2.32	32,946	-2.94	151,404	52.45
6	50	0	1,680	33,281	-0.74	32,745	-1.13	149,505	39.49
7	51	0	1,680	33,116	0.27	32,669	0.02	147,502	31.53
8	52	0	1,680	33,095	1.01	32,737	0.84	145,388	26.22
9	53	0	1,680	33,237	1.60	33,058	1.53	143,158	22.43
10	54	0	1,680	33,473	2.06	33,473	2.06	140,806	19.61
11	55	0	1,680	34,668	2.69	34,668	2.69	138,324	17.42
12	56	0	0	30,843	1.46	30,843	1.46	130,524	15.12
13	57	0	0	27,053	0.33	27,053	0.33	50,641	5.36
14	58	0	0	23,196	-0.78	23,196	-0.78	46,370	4.28
15	59	0	0	19,279	-1.92	19,279	-1.92	41,796	3.25
16	60	0	0	15,309	-3.16	15,309	-3.16	36,885	2.23
17	61	0	0	11,300	-4.62	11,300	-4.62	33,169	1.46
18	62	0	0	14,344	-3.16	14,344	-3.16	36,398	1.90
19	63	0	0	17,768	-1.94	17,768	-1.94	39,877	2.30
20	64	0	0	21,611	-0.90	21,611	-0.90	43,623	2.64
21	65	0	10,106	20,607	0.82	20,607	0.82	42,341	3.46
22	66	0	10,106	19,813	2.07	19,813	2.07	42,239	4.20
23	67	0	10,106	19,264	3.03	19,264	3.03	42,338	4.80
24	68	0	10,106	18,995	3.82	18,995	3.82	42,663	5.30
25	69	0	10,106	19,046	4.46	19,046	4.46	43,237	5.73
26	70	0	10,106	18,182	4.95	18,182	4.95	42,617	6.03
27	71	0	10,106	17,555	5.36	17,555	5.36	40,376	6.24
28	72	0	10,106	17,210	5.73	17,210	5.73	38,022	6.43
29	73	0	10,106	17,199	6.05	17,199	6.05	35,555	6.59
30	74	0	10,106	17,581	6.34	17,581	6.34	32,975	6.73
		36,000	111,140						

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30 Year Summary

Cum. Payments	36,000
Cum. Policy Loan Proceeds	111,140
Surrender Value	17,581
Death Benefit	32,975

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

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Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
31	75	0	10,106	18,426	6.59	18,426	6.59	30,285	6.86
32	76	0	10,106	19,709	6.82	19,709	6.82	32,500	7.07
33	77	0	10,106	21,482	7.03	21,482	7.03	35,277	7.26
34	78	0	10,106	23,800	7.22	23,800	7.22	38,675	7.44
35	79	0	10,106	26,722	7.38	26,722	7.38	42,762	7.59
36	80	0	10,106	30,314	7.53	30,314	7.53	47,606	7.73
37	81	0	10,106	34,641	7.67	34,641	7.67	53,283	7.86
38	82	0	10,106	39,778	7.80	39,778	7.80	59,872	7.97
39	83	0	10,106	45,802	7.91	45,802	7.91	67,459	8.08
40	84	0	10,106	52,795	8.01	52,795	8.01	76,133	8.17
41	85	0	10,106	60,843	8.11	60,843	8.11	85,986	8.26
42	86	0	10,106	70,029	8.19	70,029	8.19	97,112	8.34
43	87	0	10,106	80,437	8.27	80,437	8.27	109,603	8.41
44	88	0	10,106	92,155	8.34	92,155	8.34	123,556	8.47
45	89	0	10,106	105,276	8.41	105,276	8.41	139,072	8.53
46	90	0	10,106	119,896	8.46	119,896	8.46	156,257	8.59
47	91	0	10,106	136,719	8.52	136,719	8.52	168,029	8.61
48	92	0	10,106	156,134	8.57	156,134	8.57	181,425	8.64
49	93	0	10,106	178,628	8.62	178,628	8.62	196,800	8.67
50	94	0	10,106	204,805	8.67	204,805	8.67	214,607	8.69
51	95	0	10,106	234,046	8.71	234,046	8.71	244,620	8.73
52	96	0	10,106	266,616	8.76	266,616	8.76	278,022	8.77
53	97	0	10,106	302,823	8.79	302,823	8.79	315,125	8.81
54	98	0	10,106	342,966	8.83	342,966	8.83	356,232	8.85
55	99	0	10,106	387,367	8.86	387,367	8.86	401,672	8.88
56	100	0	10,106	436,386	8.89	436,386	8.89	451,808	8.91
57	101	0	10,106	490,344	8.91	490,344	8.91	506,966	8.93
58	102	0	10,106	549,585	8.94	549,585	8.94	567,497	8.96
59	103	0	10,106	614,468	8.96	614,468	8.96	633,765	8.98
60	104	0	10,106	685,348	8.98	685,348	8.98	706,130	9.00
		36,000	414,320						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

60 Year Summary

Cum. Payments	36,000
Cum. Policy Loan Proceeds	414,320
Surrender Value	685,348
Death Benefit	706,130

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Performer LT

		Income Tax Rate 28.00%		Initial Payment 7,200		Initial Death Benefit 151,404			
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
61	105	0	10,106	762,630	9.00	762,630	9.00	785,005	9.01
62	106	0	10,106	846,756	9.01	846,756	9.01	870,835	9.03
63	107	0	10,106	938,201	9.03	938,201	9.03	964,106	9.04
64	108	0	10,106	1,037,490	9.04	1,037,490	9.04	1,065,351	9.05
65	109	0	10,106	1,145,246	9.05	1,145,246	9.05	1,175,199	9.07
66	110	0	10,106	1,262,253	9.06	1,262,253	9.06	1,294,446	9.07
67	111	0	10,106	1,389,188	9.07	1,389,188	9.07	1,423,781	9.08
68	112	0	10,106	1,526,746	9.08	1,526,746	9.08	1,563,906	9.09
69	113	0	10,106	1,676,809	9.08	1,676,809	9.08	1,716,727	9.10
70	114	0	10,106	1,840,432	9.09	1,840,432	9.09	1,883,312	9.10
71	115	0	10,106	2,018,753	9.10	2,018,753	9.10	2,064,815	9.11
72	116	0	10,106	2,213,005	9.10	2,213,005	9.10	2,262,486	9.11
73	117	0	10,106	2,424,518	9.11	2,424,518	9.11	2,477,671	9.12
74	118	0	10,106	2,654,730	9.11	2,654,730	9.11	2,711,829	9.12
75	119	0	10,106	2,905,193	9.11	2,905,193	9.11	2,966,531	9.12
		36,000	565,910						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

75 Year Summary	
Cum. Payments	36,000
Cum. Policy Loan Proceeds	565,910
Surrender Value	2,905,193
Death Benefit	2,966,531

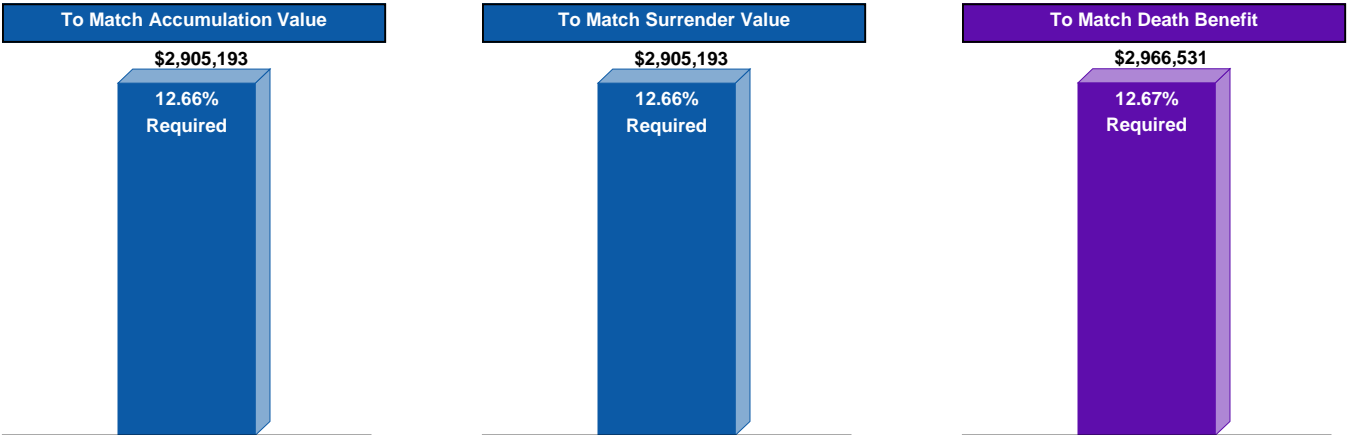
Illustration of Values

Matching Policy Values

Male	Income	Initial	Initial
Age	Tax Rate	Payment	Death Benefit
45	28.00%	7,200	151,404

**Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Pacific Indexed Performer LT Policy Values over 75 Years.**

	Hypothetical Taxable Alternative
To match Accumulation Value of: \$2,905,193	12.66%
To match Surrender Value of: \$2,905,193	12.66%
To match Death Benefit of: \$2,966,531	12.67%



Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Pacific Indexed Performer LT:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

Illustration of Values

\$10,000 Plan & 529 Plan with Net Differential Includes College

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Accumulator IV

		Income Tax Rate 28.00%	Initial Payment 10,000	Initial Death Benefit 211,950					
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
1	45	10,000	0	7,544	-24.56	5,042	-49.58	211,950	2019.50
2	46	10,000	0	15,982	-14.05	14,731	-18.73	211,950	313.09
3	47	10,000	0	25,411	-8.07	24,285	-10.20	211,950	136.54
4	48	10,000	0	35,821	-4.37	34,820	-5.47	211,950	79.53
5	49	10,000	0	47,311	-1.84	46,435	-2.46	211,950	52.77
6	50	0	2,333	47,225	-0.22	46,474	-0.61	209,489	39.75
7	51	0	2,333	47,329	0.81	46,703	0.56	206,892	31.76
8	52	0	2,333	47,649	1.56	47,148	1.40	204,152	26.42
9	53	0	2,333	48,213	2.15	47,963	2.08	201,262	22.62
10	54	0	2,333	48,932	2.62	48,932	2.62	198,213	19.79
11	55	0	2,333	50,991	3.24	50,991	3.24	194,996	17.59
12	56	0	6,711	48,683	3.73	48,683	3.73	186,984	15.87
13	57	0	6,711	46,593	4.16	46,593	4.16	80,198	7.96
14	58	0	6,711	44,591	4.54	44,591	4.54	77,624	7.82
15	59	0	6,711	42,699	4.88	42,699	4.88	74,811	7.70
16	60	0	6,711	40,938	5.18	40,938	5.18	71,721	7.59
17	61	0	6,711	39,337	5.46	39,337	5.46	70,552	7.63
18	62	0	0	45,010	5.72	45,010	5.72	76,502	7.66
19	63	0	0	51,300	5.97	51,300	5.97	82,884	7.68
20	64	0	0	58,268	6.19	58,268	6.19	89,725	7.70
21	65	0	9,928	55,503	6.40	55,503	6.40	86,574	7.73
22	66	0	9,928	52,966	6.60	52,966	6.60	85,035	7.81
23	67	0	9,928	50,701	6.78	50,701	6.78	83,705	7.89
24	68	0	9,928	48,755	6.96	48,755	6.96	82,616	7.97
25	69	0	9,928	47,183	7.14	47,183	7.14	81,800	8.05
26	70	0	9,928	44,212	7.25	44,212	7.25	79,187	8.08
27	71	0	9,928	41,488	7.37	41,488	7.37	74,158	8.07
28	72	0	9,928	39,070	7.48	39,070	7.48	68,869	8.06
29	73	0	9,928	37,024	7.59	37,024	7.59	63,312	8.05
30	74	0	9,928	35,431	7.70	35,431	7.70	57,480	8.05
		50,000	153,544						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

30 Year Summary

Cum. Payments	50,000
Cum. Policy Loan Proceeds	153,544
Surrender Value	35,431
Death Benefit	57,480

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Accumulator IV

		Income Tax Rate 28.00%	Initial Payment 10,000	Initial Death Benefit 211,950					
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
31	75	0	9,928	34,383	7.80	34,383	7.80	51,372	8.05
32	76	0	9,928	33,843	7.91	33,843	7.91	52,169	8.14
33	77	0	9,928	33,877	8.00	33,877	8.00	53,644	8.23
34	78	0	9,928	34,560	8.10	34,560	8.10	55,878	8.32
35	79	0	9,928	35,971	8.19	35,971	8.19	58,962	8.40
36	80	0	9,928	38,196	8.28	38,196	8.28	62,987	8.48
37	81	0	9,928	41,322	8.36	41,322	8.36	68,052	8.55
38	82	0	9,928	45,443	8.43	45,443	8.43	74,258	8.62
39	83	0	9,928	50,659	8.51	50,659	8.51	81,719	8.69
40	84	0	9,928	57,077	8.58	57,077	8.58	90,550	8.75
41	85	0	9,928	64,806	8.64	64,806	8.64	100,873	8.80
42	86	0	9,928	73,962	8.70	73,962	8.70	112,817	8.86
43	87	0	9,928	84,663	8.76	84,663	8.76	126,510	8.91
44	88	0	9,928	97,026	8.81	97,026	8.81	142,084	8.96
45	89	0	9,928	111,175	8.86	111,175	8.86	159,675	9.00
46	90	0	9,928	127,226	8.91	127,226	8.91	179,414	9.04
47	91	0	9,928	146,149	8.95	146,149	8.95	191,091	9.05
48	92	0	9,928	168,484	8.99	168,484	8.99	204,788	9.07
49	93	0	9,928	194,916	9.04	194,916	9.04	221,003	9.08
50	94	0	9,928	226,302	9.08	226,302	9.08	240,374	9.10
51	95	0	9,928	261,742	9.12	261,742	9.12	276,923	9.14
52	96	0	9,928	301,604	9.15	301,604	9.15	317,979	9.17
53	97	0	9,928	346,308	9.19	346,308	9.19	363,969	9.21
54	98	0	9,928	396,263	9.22	396,263	9.22	415,309	9.24
55	99	0	9,928	451,910	9.25	451,910	9.25	472,448	9.27
56	100	0	9,928	513,743	9.27	513,743	9.27	535,885	9.29
57	101	0	9,928	582,197	9.30	582,197	9.30	606,063	9.32
58	102	0	9,928	657,742	9.32	657,742	9.32	683,461	9.34
59	103	0	9,928	740,866	9.34	740,866	9.34	768,573	9.36
60	104	0	9,928	832,048	9.36	832,048	9.36	861,889	9.37
		50,000	451,384						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

60 Year Summary

Cum. Payments	50,000
Cum. Policy Loan Proceeds	451,384
Surrender Value	832,048
Death Benefit	861,889

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Valued Parent

Pacific Indexed Accumulator IV

		Income Tax Rate 28.00%		Initial Payment 10,000		Initial Death Benefit 211,950			
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
61	105	0	9,928	931,843	9.37	931,843	9.37	963,970	9.39
62	106	0	9,928	1,040,849	9.39	1,040,849	9.39	1,075,426	9.40
63	107	0	9,928	1,159,718	9.40	1,159,718	9.40	1,196,917	9.42
64	108	0	9,928	1,289,168	9.41	1,289,168	9.41	1,329,174	9.43
65	109	0	9,928	1,430,054	9.42	1,430,054	9.42	1,473,065	9.44
66	110	0	9,928	1,583,462	9.43	1,583,462	9.43	1,629,691	9.45
67	111	0	9,928	1,750,326	9.44	1,750,326	9.44	1,800,000	9.45
68	112	0	9,928	1,931,596	9.45	1,931,596	9.45	1,984,957	9.46
69	113	0	9,928	2,129,930	9.45	2,129,930	9.45	2,187,251	9.46
70	114	0	9,928	2,346,791	9.46	2,346,791	9.46	2,408,368	9.47
71	115	0	9,928	2,583,766	9.46	2,583,766	9.46	2,649,913	9.47
72	116	0	9,928	2,842,568	9.47	2,842,568	9.47	2,913,624	9.48
73	117	0	9,928	3,125,049	9.47	3,125,049	9.47	3,201,380	9.48
74	118	0	9,928	3,433,215	9.47	3,433,215	9.47	3,515,211	9.48
75	119	0	9,928	3,769,230	9.48	3,769,230	9.48	3,857,313	9.49
		50,000	600,304						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

75 Year Summary	
Cum. Payments	50,000
Cum. Policy Loan Proceeds	600,304
Surrender Value	3,769,230
Death Benefit	3,857,313

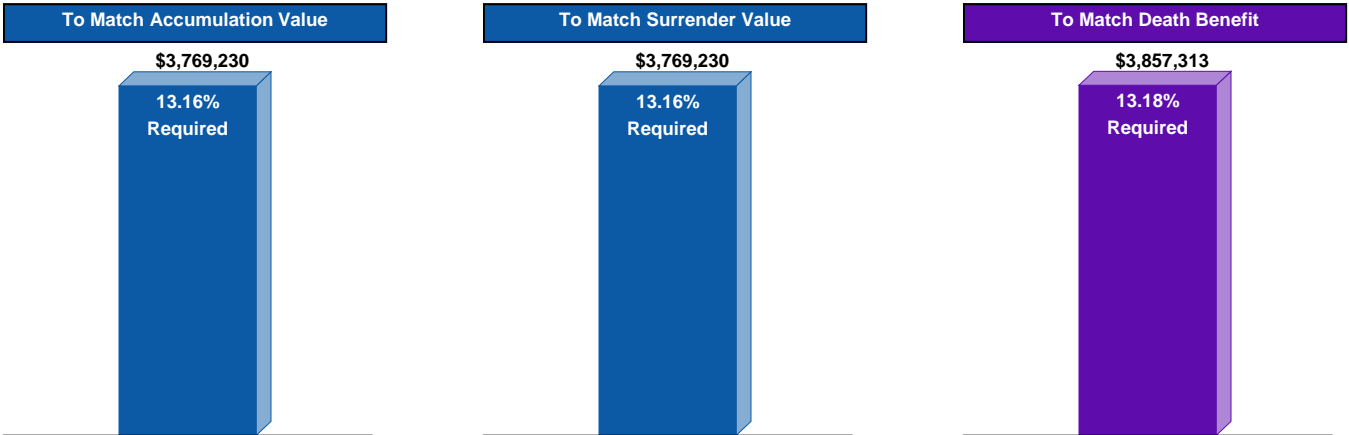
Illustration of Values

Matching Policy Values

Male	Income	Initial	Initial
Age	Tax Rate	Payment	Death Benefit
45	28.00%	10,000	211,950

**Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Pacific Indexed Accumulator IV Policy Values over 75 Years.**

	Hypothetical Taxable Alternative
To match Accumulation Value of: \$3,769,230	13.16%
To match Surrender Value of: \$3,769,230	13.16%
To match Death Benefit of: \$3,857,313	13.18%



Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Pacific Indexed Accumulator IV:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

Illustration of Values

\$10,000 Plan & 529 from Net Differential and no College

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Proud Father

Pacific Indexed Performer LT

		Income Tax Rate 28.00%	Initial Payment 10,000	Initial Death Benefit 211,950					
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
1	45	10,000	0	7,544	-24.56	5,042	-49.58	211,950	2019.50
2	46	10,000	0	15,982	-14.05	14,731	-18.73	211,950	313.09
3	47	10,000	0	25,411	-8.07	24,285	-10.20	211,950	136.54
4	48	10,000	0	35,821	-4.37	34,820	-5.47	211,950	79.53
5	49	10,000	0	47,311	-1.84	46,435	-2.46	211,950	52.77
6	50	0	2,333	47,225	-0.22	46,474	-0.61	209,489	39.75
7	51	0	2,333	47,329	0.81	46,703	0.56	206,892	31.76
8	52	0	2,333	47,649	1.56	47,148	1.40	204,152	26.42
9	53	0	2,333	48,213	2.15	47,963	2.08	201,262	22.62
10	54	0	2,333	48,932	2.62	48,932	2.62	198,213	19.79
11	55	0	2,333	50,991	3.24	50,991	3.24	194,996	17.59
12	56	0	0	55,763	3.74	55,763	3.74	194,064	15.83
13	57	0	0	61,143	4.20	61,143	4.20	94,748	7.91
14	58	0	0	67,021	4.59	67,021	4.59	100,054	7.74
15	59	0	0	73,443	4.92	73,443	4.92	105,554	7.58
16	60	0	0	80,452	5.21	80,452	5.21	111,235	7.44
17	61	0	0	88,106	5.47	88,106	5.47	119,320	7.43
18	62	0	0	96,460	5.69	96,460	5.69	127,952	7.41
19	63	0	0	105,580	5.89	105,580	5.89	137,164	7.40
20	64	0	0	115,534	6.07	115,534	6.07	146,990	7.39
21	65	0	14,567	111,024	6.23	111,024	6.23	142,095	7.39
22	66	0	14,567	106,647	6.39	106,647	6.39	138,715	7.44
23	67	0	14,567	102,440	6.53	102,440	6.53	135,444	7.49
24	68	0	14,567	98,445	6.67	98,445	6.67	132,306	7.55
25	69	0	14,567	94,712	6.81	94,712	6.81	129,329	7.61
26	70	0	14,567	89,461	6.90	89,461	6.90	124,436	7.63
27	71	0	14,567	84,332	6.99	84,332	6.99	117,002	7.60
28	72	0	14,567	79,376	7.07	79,376	7.07	109,175	7.59
29	73	0	14,567	74,653	7.16	74,653	7.16	100,940	7.58
30	74	0	14,567	70,235	7.25	70,235	7.25	92,284	7.57
		50,000	159,668						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

30 Year Summary

Cum. Payments	50,000
Cum. Policy Loan Proceeds	159,668
Surrender Value	70,235
Death Benefit	92,284

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Proud Father

Pacific Indexed Performer LT

		Income Tax Rate 28.00%		Initial Payment 10,000		Initial Death Benefit 211,950			
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
31	75	0	14,567	66,207	7.34	66,207	7.34	83,196	7.56
32	76	0	14,567	62,523	7.43	62,523	7.43	80,849	7.64
33	77	0	14,567	59,241	7.51	59,241	7.51	79,008	7.72
34	78	0	14,567	56,424	7.60	56,424	7.60	77,742	7.80
35	79	0	14,567	54,144	7.68	54,144	7.68	77,134	7.87
36	80	0	14,567	52,474	7.76	52,474	7.76	77,265	7.94
37	81	0	14,567	51,492	7.83	51,492	7.83	78,221	8.01
38	82	0	14,567	51,277	7.91	51,277	7.91	80,093	8.08
39	83	0	14,567	51,920	7.98	51,920	7.98	82,980	8.15
40	84	0	14,567	53,513	8.05	53,513	8.05	86,987	8.21
41	85	0	14,567	56,152	8.11	56,152	8.11	92,220	8.27
42	86	0	14,567	59,938	8.17	59,938	8.17	98,793	8.33
43	87	0	14,567	64,973	8.23	64,973	8.23	106,820	8.38
44	88	0	14,567	71,360	8.29	71,360	8.29	116,417	8.43
45	89	0	14,567	79,203	8.34	79,203	8.34	127,703	8.48
46	90	0	14,567	88,602	8.39	88,602	8.39	140,790	8.52
47	91	0	14,567	100,505	8.44	100,505	8.44	145,448	8.54
48	92	0	14,567	115,436	8.49	115,436	8.49	151,740	8.56
49	93	0	14,567	134,056	8.53	134,056	8.53	160,143	8.58
50	94	0	14,567	157,201	8.58	157,201	8.58	171,273	8.61
51	95	0	14,567	183,947	8.63	183,947	8.63	199,127	8.65
52	96	0	14,567	214,635	8.67	214,635	8.67	231,010	8.69
53	97	0	14,567	249,662	8.71	249,662	8.71	267,323	8.73
54	98	0	14,567	289,407	8.75	289,407	8.75	308,454	8.77
55	99	0	14,567	334,283	8.78	334,283	8.78	354,821	8.80
56	100	0	14,567	384,753	8.81	384,753	8.81	406,894	8.83
57	101	0	14,567	441,217	8.84	441,217	8.84	465,084	8.86
58	102	0	14,567	504,114	8.87	504,114	8.87	529,833	8.89
59	103	0	14,567	573,895	8.90	573,895	8.90	601,603	8.91
60	104	0	14,567	651,000	8.92	651,000	8.92	680,841	8.94
		50,000	596,678						

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

60 Year Summary

Cum. Payments	50,000
Cum. Policy Loan Proceeds	596,678
Surrender Value	651,000
Death Benefit	680,841

Illustration of Values

Presented By: Kenneth Sapon, CLU, CLTC, LUTCF, R.Ph.

Insured: Proud Father

Pacific Indexed Performer LT

		Income Tax Rate 28.00%		Initial Payment 10,000		Initial Death Benefit 211,950			
Year	Male Age	(1) Policy Premium	(2) Loan Repayments & Retirement Net Loan Proceeds	(3) Year End Accum Value*	(3a) Net Rate of Return of Accum Value*	(4) Year End Surrender Value*	(4a) Net Rate of Return of Surrender Value*	(5) Death Benefit	(5a) Net Rate of Return of Death Benefit
61	105	0	14,567	735,943	8.94	735,943	8.94	768,070	8.96
62	106	0	14,567	829,280	8.96	829,280	8.96	863,857	8.98
63	107	0	14,567	931,619	8.98	931,619	8.98	968,818	9.00
64	108	0	14,567	1,043,629	9.00	1,043,629	9.00	1,083,635	9.01
65	109	0	14,567	1,166,117	9.01	1,166,117	9.01	1,209,128	9.03
66	110	0	14,567	1,300,114	9.03	1,300,114	9.03	1,346,343	9.04
67	111	0	14,567	1,446,499	9.04	1,446,499	9.04	1,496,173	9.05
68	112	0	14,567	1,606,165	9.05	1,606,165	9.05	1,659,526	9.06
69	113	0	14,567	1,781,706	9.06	1,781,706	9.06	1,839,027	9.07
70	114	0	14,567	1,974,521	9.07	1,974,521	9.07	2,036,097	9.08
71	115	0	14,567	2,186,126	9.08	2,186,126	9.08	2,252,273	9.09
72	116	0	14,567	2,418,164	9.09	2,418,164	9.09	2,489,220	9.10
73	117	0	14,567	2,672,409	9.10	2,672,409	9.10	2,748,739	9.11
74	118	0	14,567	2,950,785	9.10	2,950,785	9.10	3,032,781	9.12
75	119	0	14,567	3,255,372	9.11	3,255,372	9.11	3,343,455	9.12

50,000

815,183

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

75 Year Summary	
Cum. Payments	50,000
Cum. Policy Loan Proceeds	815,183
Surrender Value	3,255,372
Death Benefit	3,343,455

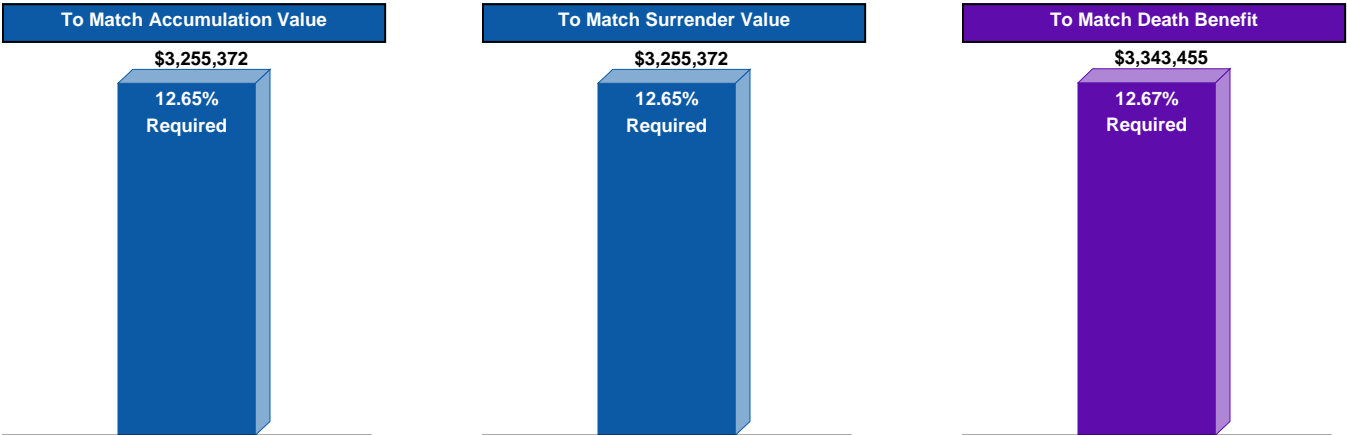
Illustration of Values

Matching Policy Values

Male	Income	Initial	Initial
Age	Tax Rate	Payment	Death Benefit
45	28.00%	10,000	211,950

**Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Pacific Indexed Performer LT Policy Values over 75 Years.**

	Hypothetical Taxable Alternative
To match Accumulation Value of: \$3,255,372	12.65%
To match Surrender Value of: \$3,255,372	12.65%
To match Death Benefit of: \$3,343,455	12.67%



Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Pacific Indexed Performer LT:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

Using Net Differential into a 529 Plan

Prior Accrued
Account Value
0

Account
Yield
6.00%

Year	Age	(1) Payment to the Account	(2) Beginning of Year Value of Account	(3) Annualized Tax Exempt Interest Accrued	(4) Year End Value of Account (2) + (3)
1	45	2,800	2,800	168	2,968
2	46	2,800	5,768	346	6,114
3	47	2,800	8,914	535	9,449
4	48	2,800	12,249	735	12,984
5	49	2,800	15,784	947	16,731
6	50	0	16,731	1,004	17,735
7	51	0	17,735	1,064	18,799
8	52	0	18,799	1,128	19,927

Account
Yield
6.00%

Distribution
Method
Interest & Principal

Year	Age	(1) Beginning of Year Value of Account	(2) Tax Free Withdrawal of Principal	(3) Account Balance After Withdrawal (1) - (2)	(4) Annualized Tax Exempt Interest Accrued	(5) Year End Value of Account (3) + (4)
1	53	19,927	5,425	14,502	870	15,372
2	54	15,372	5,425	9,947	597	10,544
3	55	10,544	5,425	5,119	307	5,426
4	56	5,426	5,426	0	0	0

TRADITIONAL WAYS TO SAVE FOR COLLEGE

Low Risk Traditional Approaches:

Savings Accounts: CDs Money Markets, and regular savings

Tax-free municipal bonds: direct or through a mutual fund

U.S. Treasury Securities: T-Bills or T-Bonds

Growth stock/growth mutual funds- for longer term investor

Tax Advantaged Strategies:

529 Qualified Tuition Program

Coverdell Education Savings Account

Cash Value Life Insurance

U.S. Savings Bonds (Interest on EE series issued post 1989 with limits)

Impact On Financial Aid

529 & Coverdell Plans

- For investors seeking tax-free vehicles, both 529 plans and Coverdell Education Savings Accounts allow people to save for college expenses and withdraw the earnings tax-free for qualified higher-education expenses.
- Coverdell's are subject to income limits, however, and yearly contributions are capped at \$2,000. Typically, 529 plans have higher contribution limits and may offer state tax breaks as well.

Coverdell Education Savings Account

The Taxpayer Relief Act of 1997 (TRA '97) created a tax-qualified individual retirement account designed to help certain taxpayers save for a child's education. These plans have been renamed as Coverdell Education Savings Accounts. Money contributed to a Coverdell ESA is nondeductible, but earnings accumulate tax-deferred.

Contributions to a Coverdell ESA are treated as nontaxable gifts to the beneficiary. In general, to the extent that earnings are distributed to pay qualified education expenses, the earnings are excluded from the beneficiary's income and are exempt from federal income tax.

The contributor must not be related to the beneficiary and there is no limit on the number of individual beneficiaries for whom one contributor may set up a Coverdell ESA.

Contributions

Federal income tax law currently limits contributions to a Coverdell ESA to \$2,000 per beneficiary per year. Contributions must be in cash and must generally be made before the beneficiary reaches age 18. Other considerations include:

- **Due date for contributions:** Contributions must be made by the due date (not including extensions) of the contributor's return for the tax year of the contribution, generally April 15 of the following year.
- **Special needs beneficiaries:** Contributions to accounts for special needs beneficiaries may be made until the age of 30.
- **Multiple accounts:** They may not be used to exceed the \$2,000 limit for any one beneficiary.
- **Excess contributions:** Excess contributions are subject to a 6% excise tax paid by the beneficiary for each year that any excess remains in the account.
- **Contribution phase-out:** The \$2,000 per year limit is phased out for taxpayers with an adjusted gross income (AGI) above certain levels. For single filers, the contribution phase-out when AGI is between \$95,000 and \$110,000. For married couples filing jointly, the phase-out range is between \$190,000 and \$220,000.
- **Military death payments:** Under the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008, an individual who receives a military death gratuity under a payment under the Servicemembers' Group Life Insurance (SGLI) program may contribute to a Coverdell ESA an amount no greater than the sum of any military death gratuity and SGLI payment. Such a contribution, considered a qualified education contribution, must be made within one year of receiving the death gratuity or insurance payment. The annual dollar contribution limit and corresponding phase-out of the dollar contribution limit do not apply to such contributions.



<-Kits->

529 Higher Education Savings Plan

Federal law allows states to establish tax-qualified savings programs to pay for a student's qualified higher education expenses. In these programs, each contribution is made to an account established for a named beneficiary. An investment manager may handle the program account funds. The account earnings are not subject to federal income tax if they are used to pay for the beneficiary's qualified higher education expenses. Higher education savings accounts are not insured and income and profits.

Under federal law, contributions are not tax-deductible and are made to an account in the beneficiary's name. Contributions are not subject to the same rules as Coverdell ESAs. Contributions may be made to the account at any time, and contributions may be made to the account at any time.

Key Differences Under IRC Sec. 529

- **Qualified higher education expenses:** Tuition, fees, books, supplies, and equipment required for education qualify. Expenses such as room and board are also eligible if the student is attending school at least half-time. Additionally, qualified higher education expenses include costs for books, supplies, equipment, and other expenses required for the student's education.
- **Eligible educational institutions:** Institutions offering education leading to a degree, including postsecondary institutions, including private and public colleges, universities, and trade schools.
- **Contribution limits:** Contributions are limited to \$2,000 per beneficiary per year. There is no limit on the number of beneficiaries for whom one contributor may set up a 529 plan.
- **State tax benefits:** Many states offer tax benefits for contributions to their 529 plans, including state income tax deductions or credits.
- **Investment options:** Most 529 plans offer a variety of investment options, including equity, fixed income, and money market funds.
- **Withdrawal rules:** Withdrawals for qualified higher education expenses are tax-free. Withdrawals for non-qualified expenses are subject to a 10% penalty and federal income tax on the earnings.
- **Portability:** Contributions can be transferred from one 529 plan to another.
- **Gift tax implications:** Contributions are considered gifts for gift tax purposes. The annual gift tax exclusion is \$17,000 (as of 2024).
- **Generation-skipping tax (GSTT):** Contributions to a 529 plan for a grandchild are subject to GSTT. The annual exclusion for GSTT is \$17,000.





529 Plans: Questions and Answers

Q. What is a 529 plan?

Answer. A plan operated by a state or educational institution, with tax advantages and potentially other incentives to make it easier to save for college and other post-secondary training for a designated beneficiary, such as a child or grandchild.

Q. What is the main advantage of a typical 529 plan?

A. Earnings are not subject to federal tax and generally not subject to state tax when used for the qualified education expenses of the designated beneficiary, such as tuition, fees, books, as well as room and board. Contributions to a 529 plan, however, are not deductible.



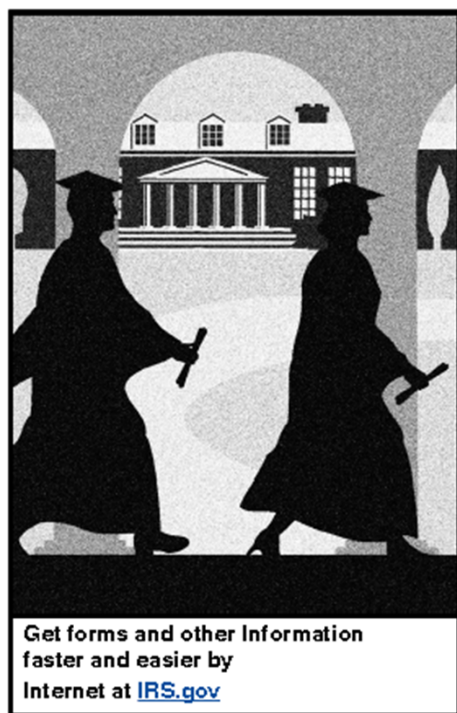
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