

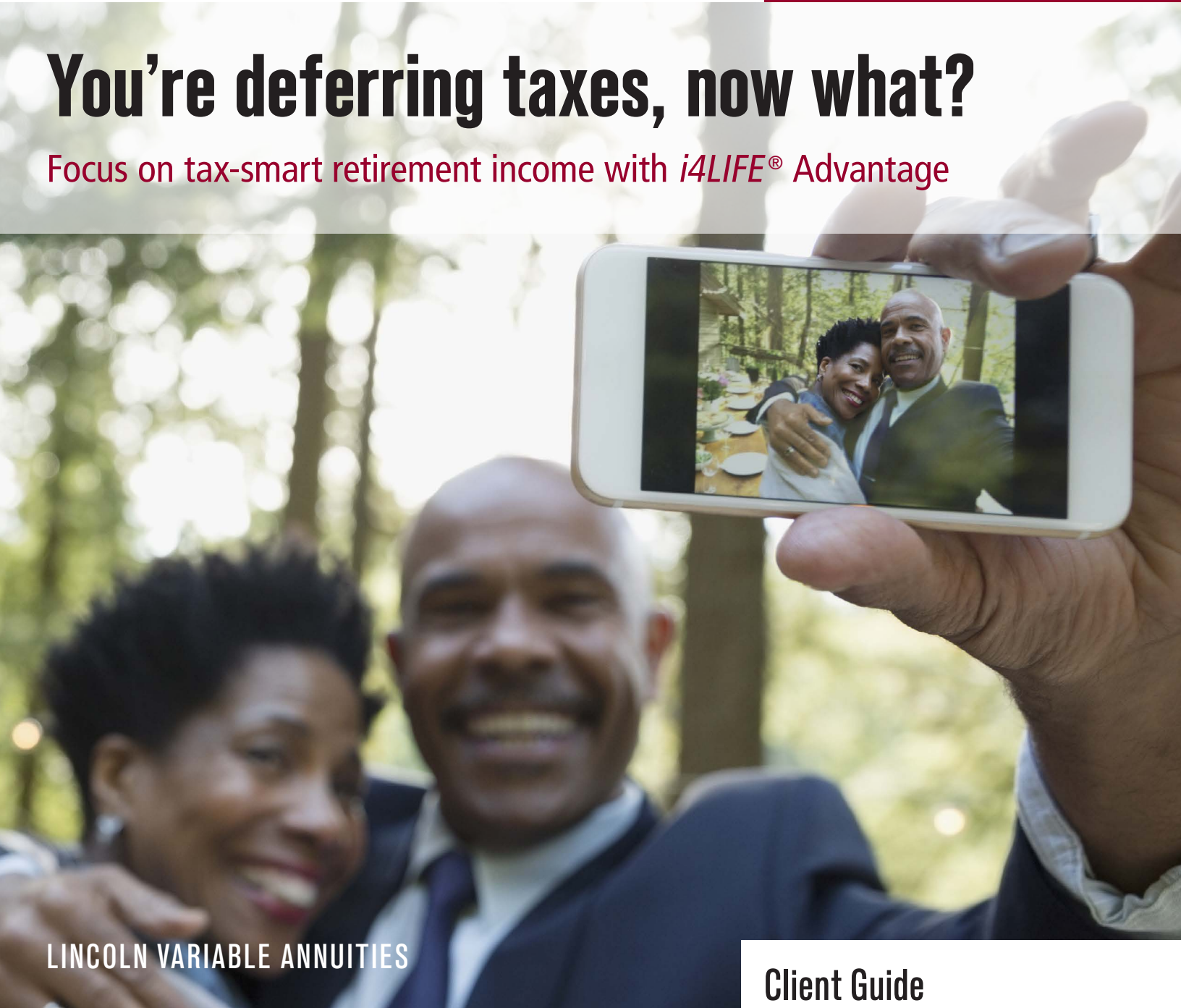


You're In Charge®

LINCOLN VARIABLE ANNUITIES

You're deferring taxes, now what?

Focus on tax-smart retirement income with *i4LIFE*® Advantage



LINCOLN VARIABLE ANNUITIES

Client Guide

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

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For use with the general public.

The power of dependable income

A solid retirement plan and income strategy can ensure that when you stop working, you have reliable income to help cover expenses for the things most important to you. A lifetime income stream can help give you the comfort and power of knowing you're able to help maintain your lifestyle.

With a Lincoln annuity, you'll have a known source of income, paid every month starting at your target age and continuing as long as you live.

Having a reliable source of income as a portion of your overall plan can help you overcome unexpected challenges that many retirees face.

Living longer than ever

One member of a 65-year-old couple today has a 75% chance of living to age 90.¹

Unprepared for taxes

The top 1% of taxpayers pay 37.3% of all taxes, more than the bottom 90% combined (30.5%).²

Sequence of returns during retirement

The impact of inflation has caused Americans' living expenses of \$50,000 in 1982 to go up to \$125,300 by 2018 — a 150% increase.³

Rising healthcare costs

Someone turning age 65 today has almost a 70% chance of needing some type of long-term care services and support in their remaining years.⁴

Facing a changing investment landscape

82% of Americans approaching retirement are concerned about what will happen to their investments if the market drops.⁵

A variable annuity is a long-term investment product that offers tax-deferred growth, access to leading investment managers, and a lifetime income stream. To decide if a variable annuity is right for you, consider that its value will fluctuate; it is subject to investment risk and possible loss of principal; and there are costs associated such as mortality and expense, administrative and advisory fees. All guarantees, including those for optional features, are subject to the claims-paying ability of the issuer. Limitations and conditions apply.

¹Sponsored by American Academy of Actuaries and Society of Actuaries, "Actuaries Longevity Illustrator," www.longevityillustrator.org, November 1, 2019. Illustration run for nonsmoking couple in excellent health.

²The Tax Foundation, "Summary of the Latest Federal Income Tax Data, 2018 Update," <https://taxfoundation.org/summary-latest-federal-income-tax-data-2018-update/>

³LIMRA, Retirement Income Reference Guide 2018.

⁴IRI Retirement Fact Book 2019.

⁵Lincoln Financial Group, "Market Volatility & Retirement Income Study," 2018.

Taxes affect everyone

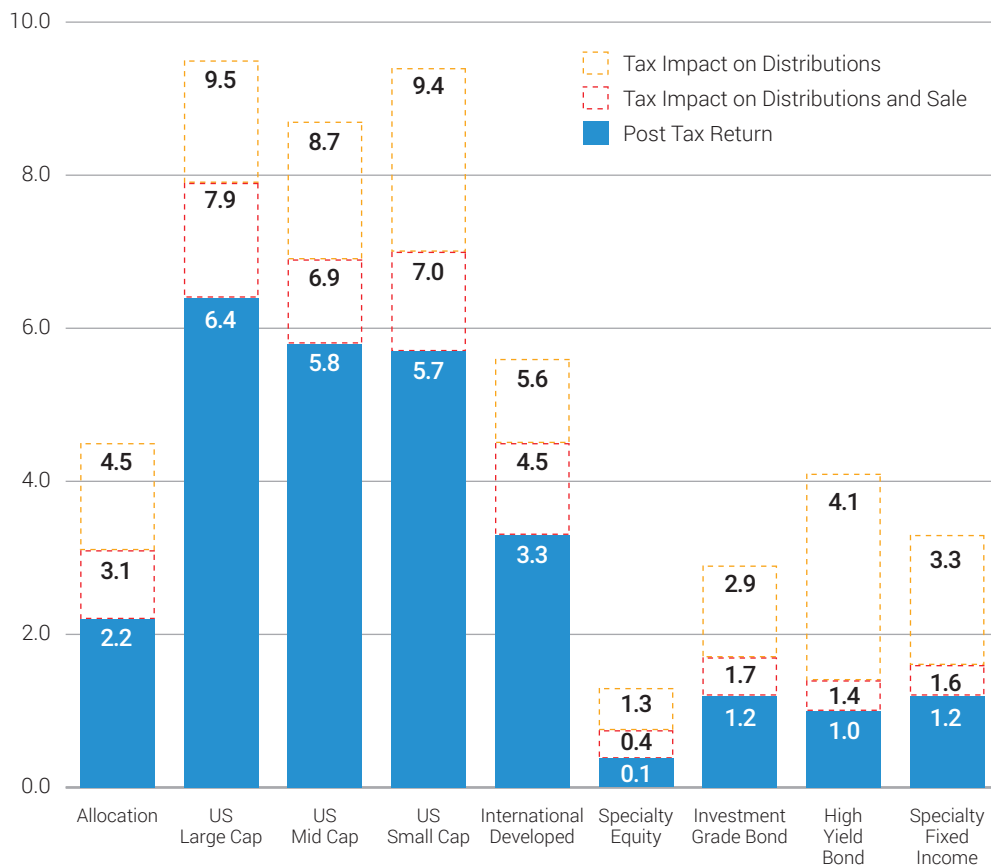
Be aware. Be proactive. Be diversified.

Taxes affect everyone. They don't retire when you do — and as your life changes, you could have increased tax exposure. That's why tax planning is an integral part of retirement income planning.

Over time, income withheld for taxes can reduce returns and significantly impact your long-term investment strategy. One of the ways you can help prepare and protect against taxes is through tax-deferred investments and tax-efficient distributions.

Tax impact by asset class

Annualized 5-year returns (percentage) ending September 30, 2019.



Source: Morningstar®

Based on market prices. A tax-adjusted total return that is based on a few assumptions:

1. The investor sells the holding at the end of the time period and pays capital gains taxes on any appreciation in price.
2. Distributions are taxed at the highest federal tax rate prevailing (37%) and then reinvested.
3. State and local taxes are excluded.
4. Only the capital gains are adjusted for tax-exempt funds because the income from these funds is nontaxable.

An asset class is a group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities, or stocks; fixed income, or bonds; and cash equivalents, or money market instruments.

Get the most out of tax deferral

All variable annuities offer tax deferral. But only Lincoln variable annuities offer *i4LIFE*® Advantage, a patented distribution method that has been helping investors minimize the impact of taxes on their income since 2001.

When you are ready to transition from saving for retirement to taking retirement income payments, *i4LIFE* is an optional living benefit available through Lincoln variable annuities for an additional annual charge, above standard contract expenses.

i4LIFE can help you take control of your retirement income with:

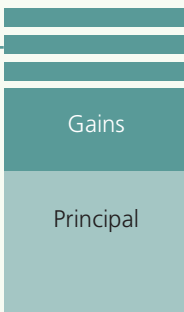
- More after-tax income when investing nonqualified money
- Opportunity for increasing income payments every year when account value growth is greater than 3%
- Continued access to your account value with control of your investments¹
- Protection for beneficiaries with a dollar-for-dollar Guarantee of Principal Death Benefit

Compare income payments

The way you decide to take your income in retirement can affect the way you are taxed, especially if your money has had the chance to grow. This example shows how a retirement income payment might be taxed, depending on the option you choose.

Systematic withdrawals

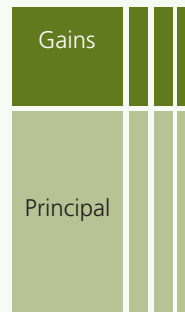
If there are gains in the contract, systematic withdrawals start with fully taxable gains being paid out first, resulting in less current income for you.



For systematic withdrawals, if there are no gains, all withdrawals are considered principal and are not taxed.

i4LIFE payments

If there are gains in the contract, *i4LIFE* includes a portion of the nontaxable principal along with the gains in each payment—saving you money in taxes.



For *i4LIFE*, if the contract experiences no gains or is down during a particular year, a portion of your payment is still treated as a taxable gain and a portion is treated as principal. Once the entire principal has been paid out, each payment is fully taxable.

i4LIFE® Advantage (0.40% single and joint life), and *i4LIFE*® Advantage Guaranteed Income Benefit (Managed Risk) (1.35% single life/ 1.55% joint life) are optional features available for an additional annual charge above standard contract expenses. No minimum issue age for nonqualified, minimum issue age of 59½ for qualified. The maximum charge for GIB Managed Risk, if elected, is 2.25% single and 2.45% for joint at GIB reset.

¹For a defined period of time based on the Access Period chosen.

Systematic withdrawals vs. *i4LIFE*® Advantage

When it's time to convert retirement savings into a reliable stream of income, your tax strategy can be as important as your income strategy.

Case study

A 60-year-old male invested \$250,000 of after-tax money in a variable annuity with no living benefits. Over 10 years, his annuity grew to \$500,000. The investor, now age 70, is ready to draw income from his retirement savings. What is his best option?

The table below compares the taxable income of the initial *i4LIFE* payment against the taxable income of a typical systematic withdrawal. Four tax brackets are shown for comparative purposes. The initial *i4LIFE* payment is based on age and amount of the initial investment. Future *i4LIFE* payments will vary based on performance of the investment options chosen in the product.



Systematic withdrawals

Tax rate	24%	32%	35%	37%
Systematic withdrawal percentage	4%	4%	4%	4%
Systematic withdrawal amount	\$20,000	\$20,000	\$20,000	\$20,000
Total taxes paid	\$4,800	\$6,400	\$7,000	\$7,400
After-tax withdrawals	\$15,200	\$13,600	\$13,000	\$12,600

i4LIFE Advantage

Tax rate	24%	32%	35%	37%
<i>i4LIFE</i> income percentage	5.48%	5.48%	5.48%	5.48%
<i>i4LIFE</i> income amount	\$27,421	\$27,421	\$27,421	\$27,421
Nontaxable amount ²	\$11,150	\$11,150	\$11,150	\$11,150
Taxable amount	\$16,271	\$16,271	\$16,271	\$16,271
Total taxes paid	\$3,905	\$5,207	\$5,695	\$6,020
<i>i4LIFE</i> after-tax payment	\$23,516	\$22,214	\$21,726	\$21,401
Percentage increase with <i>i4LIFE</i>	55%	63%	67%	70%

²A nontaxable percentage of 40.66% is an excludable amount determined by the IRS.

This table is for illustrative purposes only. Past performance does not guarantee future results.

The data shown assumes a 20-year Access Period, a 3% AIR, and monthly payments for *i4LIFE*®. The initial *i4LIFE*® payment is based on several variables including age, sex, and account value. Future payments will vary based on the performance of the investment chosen. The *i4LIFE*® income percentage may vary by state.

The annual returns shown reflect the deduction of all applicable contract fees and charges. This includes a maximum 1.30% mortality and expense risk charge and administrative fee, and a 1.35% charge for *i4LIFE*® Advantage GIB (Managed Risk). There are also investment management fees and expenses as well as a 12b-1 distribution fee. It does not reflect any state premium tax deducted upon surrender. Specific fees and expenses can be found in the prospectus. Investment requirements apply.

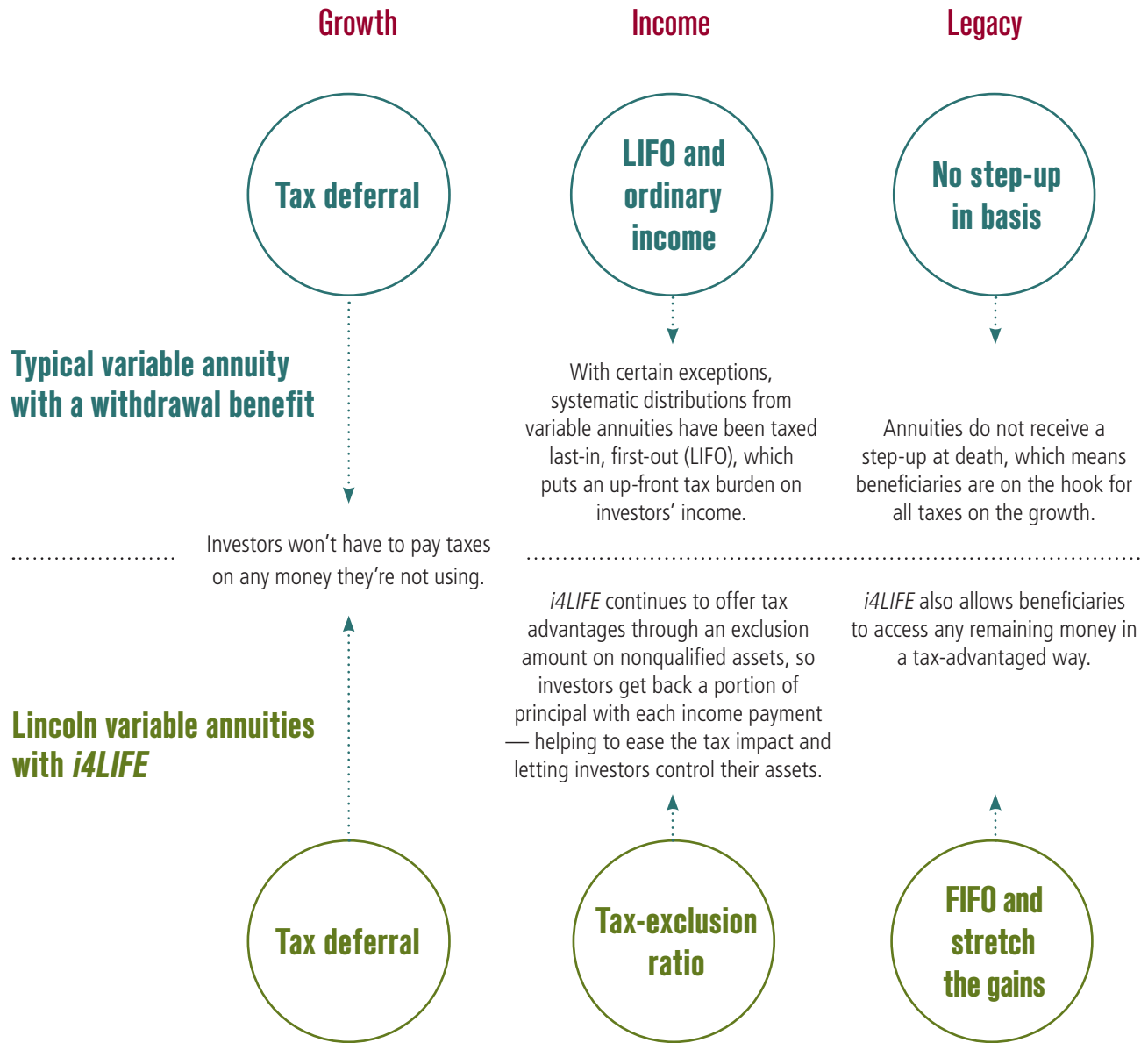
Income and legacy planning strategies

With the unique strategies made possible through *i4LIFE*® Advantage, you can build and help protect your wealth for generations. Since *i4LIFE* meets the definition of an immediate annuity under Internal Revenue Code Section 72(u)(4) when elected within a year of purchase, it offers potential solutions for a number of challenging planning situations.



All annuities are not created equal

A Lincoln variable annuity with *i4LIFE*® Advantage provides the potential to maximize income and access legacy planning options that aren't available with a typical variable annuity.* See how it works:



*Regular payments must start within a year of the contract inception.

Talk with your financial professional today.

Tax planning is one component in helping to protect your wealth. Ask your financial professional how you can prepare for rising healthcare expenses, market risk, longevity and inflation. Help protect your growing assets, your retirement income and your legacy.

Important information:

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Please consult an independent advisor as to any tax, accounting, or legal statements made herein.

Variable annuities are long-term investment products designed for retirement purposes and are subject to market fluctuation, investment risk, and possible loss of principal. Variable annuities contain both investment and insurance components and have fees and charges, including mortality and expense, administrative, and advisory fees. Optional features are available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals of earnings are taxable as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value.

Investors are advised to consider the investment objectives, risks, and charges and expenses of the variable annuity and its underlying investment options carefully before investing. The applicable prospectuses for the variable annuity and its underlying investment options contain this and other important information. Please call 888-868-2583 for free prospectuses. Read them carefully before investing or sending money. Products and features are subject to state availability.

Lincoln variable annuities are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

Contracts sold in New York are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer.

All contract and rider guarantees, including those for optional benefits, fixed subaccount crediting rates, or annuity payout rates, are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer or insurance agency from which this annuity is purchased, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan.

For use with the general public.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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