Lincoln Financial Group®

Lincoln i2Live®

Solutions to meet your clients' needs

Case studies - for financial adviser use only

Lincoln* i2*Live has been specifically designed to provide a range of flexible options through each stage of retirement planning to meet your clients' needs.

Take a look through the following case studies to see how ***Lincoln* i2*Live*** can help your clients get more from their retirement.

Case study - Jim Green

About Jim

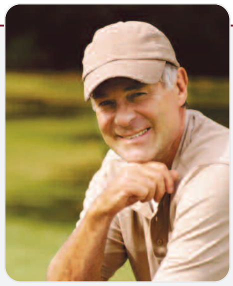
- Jim Green is 70, single, without any close family and soon to retire.
- Over the years, he's built up some pension funds but now wants an income to enjoy in his retirement.
- He likes the potential investment growth of *Lincoln* i2*Live* but wants to make sure he has enough income for his living expenses.
- He estimates he will need at least £15,000 a year to cover this.

Jim's chosen solution - Following discussions with his financial adviser, Jim decides to move his pension funds to **i2*Live* Annuity**®, which will give him an income for life. To give Jim a guaranteed minimum income of £15,000 a year, calculations show that 60% of his fund must go towards providing the Income Guarantee Option. No more than 70% of the funds providing the Income Guarantee Option can be invested in equity based investments. However, Jim can invest the remaining non-guaranteed funds in the full ***Lincoln* i2*Live*** fund range without any restriction.

Jim knows he will never receive less than £15,000 a year, unless he takes more income than the maximum allowed in any year. As Jim doesn't have any dependants, he also doesn't need to select death benefits on his product. This means he can maximise the income from his **i2*Live* Annuity**.

Adapting to Jim's needs

- From the non-guaranteed funds, Jim can take an additional regular income and one-off payments within the annual income limits for anything he likes, such as a holiday.
- If Jim doesn't need his income guarantee any more, he can remove it at any time.
- If he wants more security, he can add the Income Guarantee Option to his non-guaranteed funds at any time before his 90th birthday.



Case study - Terry Rich

About Terry

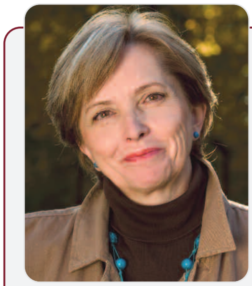
- Terry is 62 and wealthy with a wife and young children.
- He has large pension funds from a number of different product providers and likes the idea of bringing these together in one plan.
- He finds the flexibility of *Lincoln* i2*Live* attractive, especially as he doesn't need to buy an annuity or take an income until 75.
- Then, at age 75, he can choose some flexible income options to suit his needs. Terry also wants his pension funds to provide for his wife and children when he dies.

Terry's chosen solution - following discussions with his financial adviser, Terry transfers all his pension funds to **i2*Live* Accumulator**®, which he then invests in funds aiming for growth. If he dies before age 75, his full pension fund can provide his family with a cash sum, income or both. Terry expects to move his fund into **i2*Live* Annuity** when he's 75 and take a flexible income that suits his needs. Alternatively, he could transfer his funds to another pension provider.

At this time, he expects to include the joint life option on his full fund, so his wife will receive the income when he dies. Because he has other assets, Terry will take the minimum income allowed.

Adapting to Terry's needs

- If Terry unexpectedly needs a cash sum or income before he's 75, he converts all or part of his fund to **i2*Live* Drawdown**®.
- If he converts to **i2*Live* Drawdown**, he can take a cash sum, currently tax-free, but he doesn't need to take an income. However, he can take a variable regular income each year or one-off payments if he needs them, within HM Revenue & Customs limits.
- After 75, Terry can vary the income he takes from his **i2*Live* Annuity** to meet his requirements, within HM Revenue & Customs limits.



Case study - Anna Smith

About Anna

- Anna is 55 and married.
- She has large pension funds from a number of product providers and likes the idea of bringing these together in one plan.
- As her husband earns a low salary she expects to continue working on a flexible part-time basis beyond 60.
- Anna thinks she may need to take an income when she is 60.

Anna's chosen solution - following discussions with her financial adviser, Anna transfers her personal pensions into **i2*Live* Accumulator**. When she has spare money, she will make one-off payments into the plan. At 60, she expects to move her fund into **i2*Live* Drawdown**. Then at 75, Anna will convert to **i2*Live* Annuity**, choosing death benefits that best suit her needs.

Adapting to Anna's needs

- Anna can convert funds to **i2*Live* Drawdown** earlier or later, depending on her income needs.
- **i2*Live* Drawdown** will allow Anna to take a regular income, one-off amounts, or both within the maximum allowed amount to supplement her part-time income.
- She can use her **i2*Live* Accumulator** or **i2*Live* Drawdown** to buy a conventional annuity at any time.
- At 75, Anna can transfer her funds to **i2*Live* Annuity** and select the appropriate range of death benefits to suit her needs at that time.

Case study - Valerie Simmons

About Valerie

- Valerie is almost 60, married and about to retire. She expects to continue working on a flexible part-time basis.
- Over the years, Valerie has built up three large pension funds and likes the idea of bringing these together in one plan.
- She also finds the flexibility of ***Lincoln*** **i2*Live*** appealing and doesn't want a conventional annuity.
- What's more, Valerie wants her income to always cover her living expenses.
- As her husband has only a small pension income in his own right, Valerie also wants to ensure he's not short of money if she dies first.

Valerie's chosen solution - following discussions with her financial adviser, Valerie transfers her pensions to **i2*Live* Drawdown** and includes the Income Guarantee Option. Provided Valerie doesn't draw more than a maximum amount each year and sticks to the conditions of the Income Guarantee Option, she will never receive less than £30,000 a year. Valerie decides to take some funds as a cash sum to pay for a world tour. She also knows that if she dies, the remaining fund will pay her husband an income.

Until 75, and if she continues working, Valerie wants to build an additional pension fund by paying into **i2*Live* Accumulator**. Then, at 75, Valerie plans to convert her **i2*Live* Drawdown** funds into **i2*Live* Annuity**, while keeping her income guarantee and investment options. At this time, she can also choose the death benefits she wants: a five or ten year guarantee period or, if her husband is still alive, a joint life pension. However, Valerie knows that if the death benefits selected are different to those previously assumed (for the purpose of calculating her maximum amount of income), this may reduce her guaranteed minimum income.

Adapting to Valerie's needs

- If Valerie needs more flexibility or less security, she can remove the Income Guarantee Option at any time.
- To increase her income, Valerie can convert her **i2*Live* Accumulator** to **i2*Live* Drawdown** at any time.
- She can use her **i2*Live* Accumulator** or **i2*Live* Drawdown** to buy a conventional annuity at any time.
- At 75, Valerie can transfer her funds to an alternatively secured pension or buy a conventional annuity with another provider.

Please note that these case studies are examples only and are not based on real individual scenarios. These case studies demonstrate how *Lincoln* i2*Live* may meet your clients' current and changing needs, however they will not be appropriate for all circumstances.

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