

Annuity claims beneficiary guide

Understanding your options and opportunities for your nonqualified contract

As the beneficiary of a Lincoln annuity, we want to help you understand the benefits and options available to you. Please consult your financial professional and tax planner to help you choose what's best suited to your needs and understand the tax consequences.



"I am the surviving spouse and want to assume the contract."

- As the spouse, you can assume ownership and continue to receive tax deferral benefits
- If you assume ownership of the contract the original terms of the contract will continue, but some optional benefits may terminate
- Available only for a spouse who is the sole beneficiary
- Select **Assume Ownership** in Section 3 of the Claimant Statement



"I want to take a lump-sum payment now."

- A lump sum is available to all beneficiaries
- You can receive the death claim amount by check or EFT to your bank account
- Please note: A lump sum will trigger tax consequences
- Select **Lump Sum** in Section 3 of the Claimant Statement



"I want to take income over time."

- You may take the death proceeds over your life expectancy
- You must begin taking distributions within one year of the original owner's death
- Lincoln offers solutions for spousal and non-spousal beneficiaries

- Select **Annuitization** in Section 3 of the Claimant Statement to take a stream of payments over a period not to extend beyond your life expectancy*

OR

- Select **Extended Payout** in Section 3 of the Claimant Statement to take a life expectancy distribution while continuing to access your account value. Death benefit must be at least \$10,000



"I want to elect *i4LIFE*."

i4LIFE® Advantage is only available for variable annuity contracts

- Offers tax-efficient lifetime income
- Income payments meet requirement for life expectancy distributions for non-spousal beneficiaries
- Minimum \$50,000 required
- You must begin distributions within one year of the original owner's death
- Select ***i4LIFE*** in Section 3 of the Claimant Statement



"I want income later."

- You will receive a Supplementary Contract which will allow you to take distributions any time within five years of the original owner's death, including a lump sum
- However, the entire contract value must be distributed by the 5th anniversary of the original owner's death
- Select **5-year Deferral** in Section 3 of the Claimant Statement

* This is an irrevocable election and you will not have access to your account value. Death benefit must be at least \$5,000.

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The Lincoln National Life Insurance Company
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Talk to your financial professional and tax professional about which annuity claim option helps you make the most of your loved one's legacy.



“I want to transfer the death benefit to another financial institution.”

- 1035 exchange enables you to exchange your annuity contract tax-free
- You can transfer your funds to a new contract here at Lincoln or at another carrier
- Spouses can elect to move funds to a new nonqualified contract
- Non-spousal beneficiaries can move funds to an extended payout at another carrier and life expectancy payments must begin within one year of the owner's death
- The *i4LIFE*® Advantage feature can be utilized for life expectancy distributions if you open a new Lincoln variable annuity contract

Note: The cost basis of the original contract will be carried over to your new contract.

- Select **Establish Your Own Contract** in Section 3 of the Claimant Statement



“I want to take a full distribution and establish a new deferred contract.”

- This option is available to all beneficiaries
- This will result in a full distribution of the contract and will trigger tax consequences
- You will keep your distribution at Lincoln in a new contract
- Select **Establish Your Own Contract** in Section 3 of the Claimant Statement

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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.

A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses.

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.

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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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