

Annuity claims beneficiary guide

Understanding your options and opportunities for your qualified 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. Below are your options for a qualified contract, including retirement contracts and IRAs.



“I am the surviving spouse and want to assume the contract.”

- As the spouse, you may assume ownership of the contract and continue to defer the contract until you reach age 72
- If you assume ownership of the contract the original terms will continue, but some optional benefits may end
- Available only for spouse who is sole beneficiary
- Select **Assume Ownership** in Section 3 of the Claimant Statement



“I want to take a lump-sum payment now.”

- You will receive the amount owed in a check or EFT format
- **Please note:** A lump sum may trigger tax consequences
- Available to all beneficiaries
- Select **Lump-sum** in Section 3 of the Claimant Statement



“I want to take income over time.”

- Available to an eligible designated beneficiary¹
- Available for non-natural beneficiaries only if the owner died after his or her required beginning date (RBD)
- Allows distribution of death benefit over life expectancy with access to contract value
- Beneficiary must be eligible for a Deceased IRA

- Distributions must begin by December 31 of the year following the owner's year of death
- 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. This is an irrevocable election. Death benefit must be at least \$5,000
- Select **Deceased IRA** 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 \$10,000²



“I want income later.”

- Death benefit must be at least \$10,000
- You can take your distributions over time, including through a systematic withdrawal program offered here at Lincoln
- Lincoln will send you a Supplementary Contract

Select **10-year Deferral** in Section 3 of the Claimant Statement and meet the following requirements:

- You must be an individual designated beneficiary of the Owner
- You must take the entire death benefit December 31 of the year following the 10th anniversary of the owner's death
- Available whether owner died before or after the required beginning date (RBD)

¹ Designated beneficiary must be either: (a) the surviving spouse of the owner; (b) a minor child of the owner; (c) disabled; (d) a chronically ill individual; or (e) not more than 10 years younger than the owner.



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

Select **5-year Deferral** in Section 3 of the Claimant Statement and meet the following requirements:

- You must be a non-natural beneficiary (e.g. Trust, Estate or Corporation)
- You must take the entire death benefit by December 31 of the year following the 5th anniversary of the owner's death
- Available only if owner died before starting required distributions (typically, age 72)



"I want to transfer the death benefit to another financial institution."

Select **Direct Rollover** in Section 3 of the Claimant Statement to transfer funds to another financial institution:

- Available to beneficiaries, including spouses and non-spouses
- Roll over funds to a 5-year or 10-year deferral contract at another carrier, provided you qualify for the contract and the other carrier confirms the terms
- As the surviving spouse beneficiary, you can open or move the funds to a traditional/Roth IRA
- Non-spouse beneficiaries can open or move funds to a deceased IRA/Roth IRA, provided that you qualify for the contract and the other carrier confirms the terms

²May not be available or may require a new application for fixed contracts.

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

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