



Lincoln
Financial GroupSM

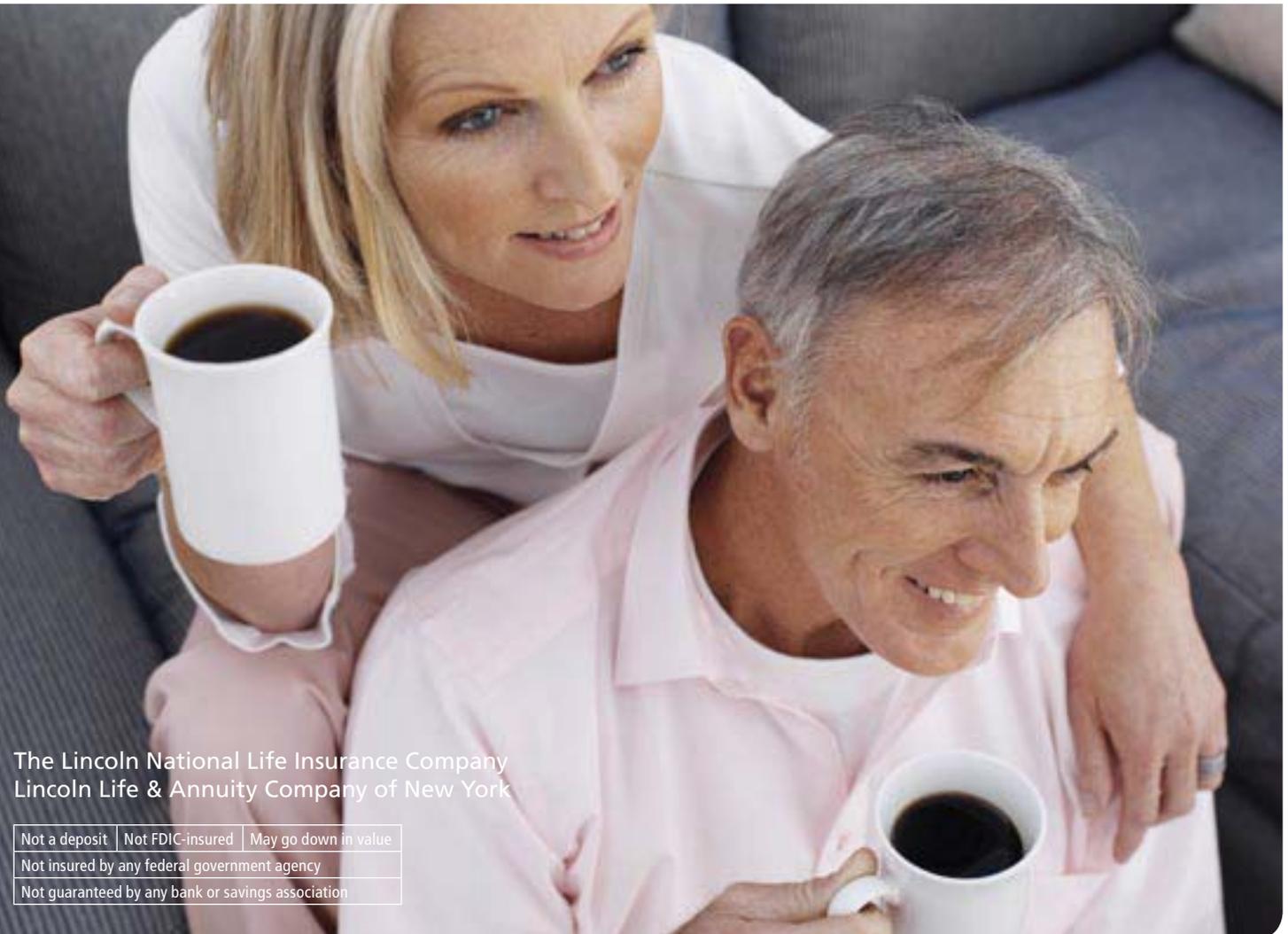
FOR INCOME

Lincoln ChoicePlus AssuranceSM
variable annuity

Are you taking an income with guarantees or tax advantages from a trust?

Non-natural owner case study

Hello future.[®]



The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

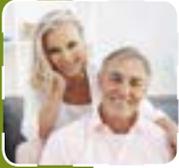
Not a deposit | Not FDIC-insured | May go down in value

Not insured by any federal government agency

Not guaranteed by any bank or savings association

What if you could?

i4LIFE® Advantage, an optional feature available for an additional charge with *Lincoln ChoicePlus Assurance*™ variable annuities, can be used within a trust to provide a lifetime income guarantee, growth potential, and an increasing wealth floor without the 10% tax penalty.¹



Hypothetical example: The Caldwell's

Tom and Sharon Caldwell are a married couple approaching retirement with an estate worth \$5 million. How can they plan ahead so that when the first spouse dies, the surviving spouse can minimize the estate tax bill and receive a guaranteed income without withdrawal penalties?

The Caldwell's financial advisor suggested that Tom and Sharon each include a provision in their will to set up an irrevocable family trust, which can provide income for the surviving spouse as trustee, and transfer into it the maximum qualifying amount for the Unified Tax Credit. As trustee, the surviving spouse is in charge of any distributions from the trust, so they retain control of the assets, which are now exempt from estate taxes (assuming the trust allows them to make distributions to themselves).

To generate the income for Tom or Sharon, the trust could invest in products such as mutual funds or bonds. However, neither of these can provide both a guaranteed, tax-efficient lifetime income and potential for growth. A *Lincoln ChoicePlus Assurance*™ variable annuity with *i4LIFE*® Advantage, an *Income4Life*® innovation, can provide both.

Because *i4LIFE* meets the definition of an immediate annuity under Internal Revenue Code section 72(u)(4) when elected within one year of purchase, this patented distribution option can be used to generate tax-efficient lifetime income from the trust based on either the surviving spouse's life or the life of a dependent, such as a child, and also to avoid early withdrawal penalties.

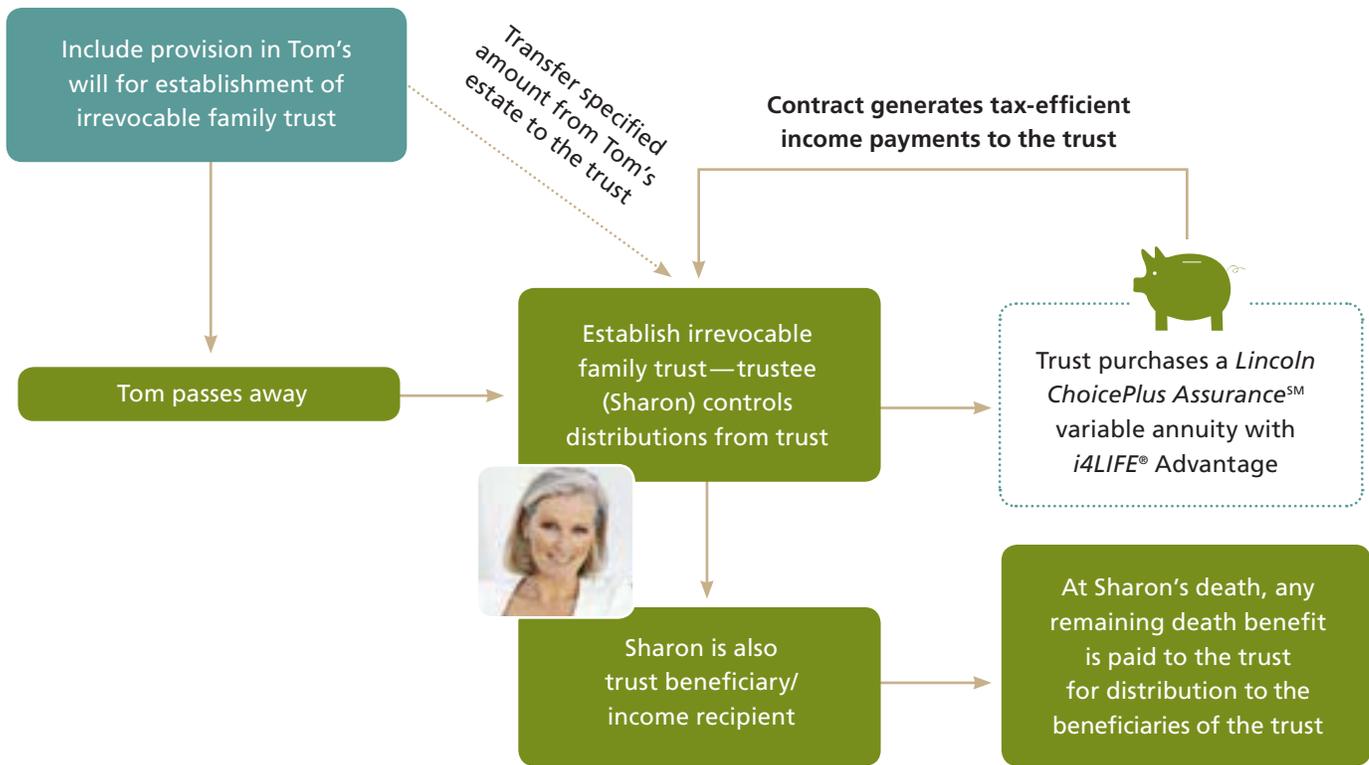
Lincoln ChoicePlus Assurance™ variable annuities are long-term investment products that offer

- **Tax-deferred growth**—Earnings aren't taxed until withdrawals are made, allowing for greater growth potential.
- **Lifetime income**—There are several options for receiving an income stream for life.
- **Death benefits**—Your savings can be transferred to beneficiaries.
- **Optional protection features**—For an additional charge, you can elect optional features that can help protect your minimum future income and ensure growth.
- **Flexibility**—You can meet your individual needs by customizing your contract through investment allocation, withdrawal options, and addition or cancellation of optional features.

¹ Only available on new contracts. Additional restrictions apply, including: Irrevocable trusts may only elect *i4LIFE* if the annuity contract is purchased with nonannuity money and the *i4LIFE*® Advantage income starts within one year of the annuity purchase. Access Period and payment mode may not be changed once payments begin. Level-pay must be chosen. The minimum Access Period with the GIB is the greater of 20 years or to age 90. After the Access Period ends, payments will continue on a lifetime basis, but you will no longer have access to your assets or a death benefit.

² Additional withdrawals reduce the cost basis, account value, death benefit, GIB amount and income payments proportionately, and are subject to ordinary income tax to the extent of the gain.

Here's one situation where *i4LIFE*® Advantage can provide tax-efficient income from a trust.



i4LIFE can provide you

- **Lifetime income**—An income stream, no matter how long you live.
- **Growth potential**—Income has the potential to grow based on your investment results.
- **Increasing wealth floor**—With the Guaranteed Income Benefit (GIB), your payments will never go below the guaranteed minimum amount, which has the potential to automatically increase every year.
- **Control and access**—Don't choose between lifetime income and access to your savings. You can have both: an income and the ability to make additional withdrawals during the Access Period.²

i4LIFE with the GIB is available for an additional annual charge of 1.05% above standard contract expenses for single life or 1.25% for joint life (maximum annual charge of 2.00%). Investment requirements apply for the GIB. After the Access Period ends, payments will continue on a lifetime basis, but you will no longer have access to your assets or a death benefit. The tax-exclusion amount varies by age and only applies until the original cost basis in the contract has been recovered. Guarantees, including those for optional benefits, are backed by the claims-paying ability of the appropriate issuing company.

Regular income payments must begin within one year of the *i4LIFE*® Advantage election date, and additional purchase payments will not be accepted once *i4LIFE* becomes effective for a nonqualified contract. If you opt out of the GIB, you will have the ability to select the assumed investment return (AIR), which helps to determine your payments. The higher the AIR, the higher your initial regular payment, and the higher the return needed to increase subsequent payments. Full details are available in the prospectus.

Lincoln is pleased to offer this patented, tax-efficient distribution method, which allows the trust to retain the asset and have additional access to funds if needed.

For more information, contact your financial advisor.

Hello future.®

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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LCN1005-2042312

POD 10/10 Z02

Order code: CP-APTNN-BRC283



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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 a 10% federal tax penalty. 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 variable annuity prospectus contains this and other important information about the variable annuity and its underlying investment options. Please call 888 868-2583 for a free prospectus. Read it 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.