



Lincoln
Financial GroupSM

FOR INCOME

Lincoln ChoicePlus AssuranceSM
variable annuity

No flags on the play

Take penalty-free pre-59½ distributions with
a *Lincoln ChoicePlus AssuranceSM* variable annuity
and *i4LIFE[®]* Advantage

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		

Take advantage of the opportunity

If you're ready to start enjoying your retirement savings now but are still many years away from traditional retirement age, is there a way to use a nonqualified annuity to start taking income—without facing any tax penalties should you wish to take additional withdrawals?

Variable annuities can be a great way to turn assets into retirement income. However, if you're under age 59½ and want to access any of those assets, federal income tax rules regarding additional distributions from nonqualified annuities can take a big bite out of your savings. We have a possible solution to help you create a guaranteed lifetime income and avoid the 10% premature distribution penalty. By electing *i4LIFE*® Advantage, an *Income4Life*® innovation available with *Lincoln ChoicePlus Assurance*™ variable annuities for an additional charge, you can turn nonqualified money into a tax-efficient lifetime income—at any age—while avoiding painful withdrawal penalties when you want to access your assets.

Lincoln ChoicePlus Assurance™ variable annuities are long-term investment products designed for retirement savings and 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 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 adding or canceling optional features.

i4LIFE can provide you

- **Lifetime income**—An income stream, no matter how long you live.
- **Growth potential**—Income that 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 your guaranteed minimum amount, which has the potential to automatically increase every year.
- **Control and access**—You don't have to choose between lifetime income and access to savings. You can have both: an income and the ability to make additional withdrawals during the Access Period.¹

How can *i4LIFE* offer penalty-free withdrawals before age 59½?

According to the federal tax code, distributions from an immediate annuity are never subject to a tax penalty; however, you can't make additional withdrawals from traditional immediate annuities because there is no account value to access. But, when elected with nonqualified money and regular payments started within one year of contract purchase, *i4LIFE* qualifies as an immediate annuity under Internal Revenue Code section Rule 72(u)(4); it can be used to generate lifetime income while

providing access to your account value without incurring the 10% tax penalty normally assessed on additional withdrawals taken before age 59½.

This strategy may be right for you if you have sufficient assets to take distributions for an extended period of time and still retire comfortably. Of course, all applicable income taxes must still be paid.

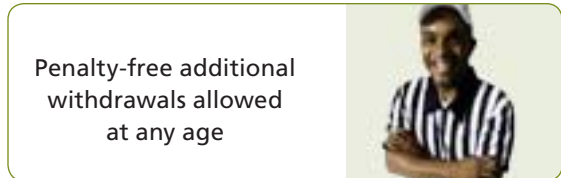
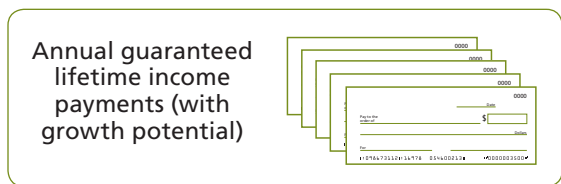
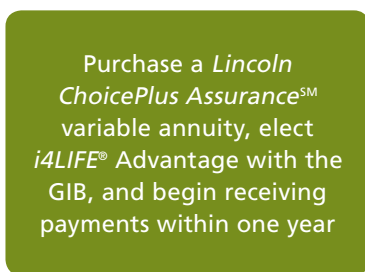
¹ Additional withdrawals reduce the cost basis, account value, death benefit, GIB amount and income payments proportionately, and are subject to ordinary income tax to the extent of the gain.

Following is one hypothetical scenario where a couple used *i4LIFE* to create a lifetime income without facing the 10% premature distribution tax penalty on their withdrawals.



The Allens

- Several years ago, Jim and Sandra Allen started a communications business that became wildly successful, so at age 46, they decided to sell it and retire early. They planned to use \$2,000,000 of the proceeds to create a lifetime income stream for themselves, but they wanted to make sure they could also tap into that money when they wanted additional funds.
- After talking with their financial advisor, Jim and Sandra decided to invest the \$2,000,000 into a nonqualified *Lincoln ChoicePlus Assurance*SM variable annuity and elect the *i4LIFE*[®] Advantage distribution option immediately. They chose to have their annual *i4LIFE*[®] Advantage payments based on both their lives in order to guarantee a lifetime income for the two of them.
- *i4LIFE* not only provides the Allens a tax-efficient lifetime income that can never go down (as a portion of each payment represents a return of the cost basis), but it also allows for growth potential.
- Using this strategy, Jim and Sandra are able to continue enjoying an annual income and have access to their assets whenever they need it with no federal tax penalties on the additional withdrawals.
- *i4LIFE* with 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 restrictions will 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.



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.

At certain broker/dealers, annuitization for nonqualified and standalone qualified contracts must occur by the annuitant's age 95.

For more information about how to turn a portion of your assets into a lifetime income now without early withdrawal penalties, 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

©2010 Lincoln National Corporation

www.LincolnFinancial.com

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN1005-2042348

POD 10/10 Z02

Order code: CP-APTSP-BRC001



Lincoln
Financial GroupSM

This material was prepared to support the promotion and marketing of a variable annuity product. Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S. federal, state, or local tax penalties. Please consult your own 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 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.

*Lincoln ChoicePlus Assurance*SM variable annuities (contract form 30070-B and state variations) 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 (contract forms 30070BANYA, 30070BANYC, 30070BANYAL, and 30070BANYN) 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 backed by 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 any other tax-qualified plan.