



You're In Charge®

WealthProtection ExpertiseSM

Lincoln variable annuities

featuring *Lincoln Long-Term CareSM Advantage*



The purpose of this communication is the solicitation of insurance. An insurance agent or insurance company will contact you.

Optional Benefit Client Guide

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		

Insurance products issued by:
The Lincoln National Life Insurance Company

1557524

Protecting and building future income

An effective retirement income strategy requires planning beyond your savings. You need a plan that not only allows you to accumulate assets, but helps you protect the wealth you've created. It should give you the confidence that you can access your savings as a lifetime income stream when you need it most.

Whether you're just starting to plan or getting ready to enjoy retirement, Lincoln has resources that can help you prepare for the future. A wealth protection strategy featuring a Lincoln variable annuity can help you protect assets from taxes and future uncertainty by providing:

- Tax-deferred growth
- Tax-free transfers between investment options
- Access to leading investment managers
- Long-term care benefits through an optional rider
- The security of a death benefit

Variable annuities are long-term investment products that offer a lifetime income stream, access to leading investment managers, options for guaranteed growth and income (available for an additional charge), and death benefit protection.

To decide if a variable annuity is right for you, consider that its value will fluctuate; it is subject to investment risk and possible loss of principal; and there are associated costs such as mortality and expenses, administrative and advisory fees. Guarantees are subject to limitations and conditions. Investment requirements apply.

Prepare for the good and bad of retirement

One of the most overlooked risks of retirement is the cost of long-term care. The quickly rising costs of long-term care can easily drain your retirement savings.

Lincoln Long-Term CareSM Advantage, an optional living benefit rider available for an additional charge with a Lincoln variable annuity, offers a way to help you manage the impact of long-term care expenses and triple your original investment for long-term care benefits.

Lincoln Long-Term Care Advantage rider costs are deducted from the contract value. The annuity contract and riders have exclusions, limitations, and/or reductions. Product and features, including benefits, exclusions, limitations, terms and definitions, vary by state.

The realities of long-term care

Most people don't expect to need long-term care and may not have sufficient savings to cover it. As the need and price for long-term care continue to climb, how can you make sure you're ready to face the future without putting your savings at risk?



70% of people turning age 65 can expect to use some form of long-term care during their lives.¹

\$97,612
per year

is the national average cost of a private room in a Medicare-certified nursing home.²

\$21.77
per hour

is the national average rate for home health aides provided by a certified home healthcare agency.³



Medicare typically does not cover long-term care, which is assistance with basic activities of daily living due to a physical or cognitive impairment.⁴

¹The Associated Press-NORC Center for Public Affairs Research, "Long-term Care in America: Expectations and Reality," May 2014.

²LTCG, "2014 Lincoln Financial Group Cost of Care Survey," January 2015. For a printed copy, call 877-ASK-LINCOLN.

³Ibid.

⁴Medicare is a federal government healthcare program for seniors. Lincoln is not affiliated with Medicare.

Protection and flexibility for tomorrow

What if your needs change or you never need long-term care?

- Once you elect *Lincoln Long-Term Care*SM Advantage, you can keep it for as long as you like.
- You can transition to another guaranteed lifetime income option.
- Or you can simply remove this feature from your contract after year three.

Generate more income

With *Lincoln Long-Term Care*SM Advantage, you can reposition a portion of your nonqualified assets to generate three times your income for long-term care benefits. Your benefit has the potential to grow. The minimum investment for this feature is \$50,000 and the maximum is \$400,000; it is only available with new contracts and not available for nonnatural or custodial accounts.

How to get started

Unlike most long-term care insurance, there's no need to visit the doctor to obtain coverage. Just follow these three simple steps:

- ▶ Prequalify by:
 - 1) reviewing the medical statements on the *Lincoln Long-Term Care Advantage* election form to ensure you can respond appropriately, and
 - 2) verifying that you are not taking certain prescription medications. (See the list in the accompanying forms packet.)
- ▶ If you qualify, fill out the *Lincoln Long-Term Care Advantage* election forms.
- ▶ Pending review of your medical statements and a prescription drug screening, Lincoln will issue *Lincoln Long-Term Care Advantage* to you.

Hypothetical



Catherine, age 62

Catherine's primary concerns include:

- Protecting her savings from the impact of long-term care costs
- Maintaining financial independence
- Maximizing her investment for long-term care needs
- Providing a death benefit for her children

Catherine has carefully saved money for retirement. She didn't want the costs of long-term care to take her by surprise or put a heavy burden on her family. Five years ago (at age 57), she used \$100,000 of her \$1 million portfolio to purchase a Lincoln variable annuity with *Lincoln Long-Term Care Advantage*. (Investment restrictions apply.)

Easy to access your benefits

*Lincoln Long-Term Care*SM Advantage turns every dollar invested in this contract benefit into three dollars of future long-term care benefits.

Catherine used \$100,000 to purchase a Lincoln variable annuity with *Lincoln Long-Term Care Advantage*.

Lincoln immediately adds \$200,000 to Catherine's future long-term care benefits.

Lincoln Long-Term Care Advantage increased Catherine's guaranteed long-term care benefit to three times her initial investment.



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Catherine's payout over a six-year period
\$330,000 ÷ 6 = \$55,000

If Catherine becomes eligible for long-term care benefits after the fifth year, she could access her annual income benefit of \$55,000, paid out over a minimum six-year period, as a maximum monthly payment of \$4,583.33.³

²There is no guarantee of contract growth. The maximum amount your initial investment plus lock-in growth can be is \$800,000.

³Benefits are drawn from the original investment first. The maximum annual long-term care benefit is paid for assisted living, nursing home or hospice care. For other services, 50% of the maximum annual benefit is paid. If the maximum benefit is not used in a given year, the unused portion will be added on to the end of the payout schedule. If the maximum growth benefit is not used in a given year, the unused portion will be allocated over the remaining payout schedule. Payouts are not available as a lump sum withdrawal or death benefit.

+

Since she was invested in the market, she received an additional \$30,000 in contract growth from her investment options, which increases her total benefit. Annual lock-ins are available through age 75.²

If Catherine needed her long-term care benefit sooner

She could begin to receive payments after her first year. She will still receive the same total amount, though it will be a smaller annual benefit over a longer period of time. Before long-term care benefit payments are received, a deductible period of 90 days must first be satisfied (see prospectus for current deductible period). Additionally, benefits are not available in the first contract year. Once a request for eligibility to receive benefits is approved, the total long-term care account value will be allocated to a Fixed Account.

Catherine does not need to submit her expenses for reimbursement—once she's eligible for her benefit and receiving care, it's paid to her automatically. She will have to provide periodic verification of ongoing eligibility.

If she never needs long-term care

Unlike traditional long-term care insurance, Catherine still retains her annuity account value and death benefit if she never needs to use her long-term care benefits. However, she will not have access to additional living benefits.

Catherine can also cancel *Lincoln Long-Term Care Advantage* and purchase another one of Lincoln's optional features to create guaranteed lifetime income, or she can choose to cash out of her account value.

Withdrawals taken for purposes other than long-term care will reduce the total long-term care guaranteed benefit and death benefit on a pro rata basis. Long-term care benefits will also reduce the account value and the death benefit on a pro rata basis.

Coverage and eligibility

Growth benefit option

With this option, lock-in your contract earnings for additional long-term benefits. Your annual fee for this benefit combines the Acceleration Charge—determined by the initial investment plus any contract growth; and an Extension Charge—applied to Lincoln’s contribution. See the table below.

Acceleration charge*	Extension charge (based on age at issue)†					
0.50% (1.50% maximum annual charge)	Ages 45–49	Ages 50–54	Ages 55–59	Ages 60–64	Ages 65–69	Ages 70–74 (level benefit only)
	0.26%	0.30%	0.32%	0.38%	0.50%	0.68%
	$(\$100,000 + \$30,000) \times 0.50\% = \650		$\$200,000 \times 0.32\% = \640			
	$\$650 + \$640 = \$1,290$ (deducted quarterly from Catherine’s account balance)					

It was at this point that the cost for *Lincoln Long-Term Care Advantage* was calculated for Catherine.

Level benefit option

Or you can elect the level benefit option, which ensures your *Lincoln Long-Term Care*SM Advantage benefit remains at three times your initial investment. The annual fee for this benefit is 0.35% (1.50% maximum annual charge) plus the Extension Charge. This benefit option is available from ages 45 to 74.

Benefit eligibility

You will become eligible to receive benefits after your first contract anniversary, and maximum annual long-term care benefits will be available after year five. Before long-term care benefit payments are received, a 90-day deductible period must first be satisfied.

You will be eligible for long-term care benefits if a Licensed Health Care Practitioner has certified you as being chronically ill, which is the incapacity to perform two of six activities of daily living (ADLs) for at least 90 days, and/or you have a severe cognitive disability that requires you to have substantial supervision, and you receive qualified long-term care services. Additionally, you have submitted and are following a plan of care prescribed by your Licensed Health Care Practitioner. The ADLs are bathing, continence, dressing, eating, toileting and transferring. Qualified long-term care services include maintenance or personal care service, or any diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative service.

100% of the annual long-term care benefit is available if you are residing in a nursing home or are receiving hospice care.

If you are receiving other qualified long-term care services, 50% of the annual benefit is available.

Benefits are paid out automatically (subject to periodic verification of ongoing eligibility) on a monthly basis.

If the maximum monthly long-term care benefit amount exceeds the limits under IRS rules, which for 2016 is \$340 per day (\$124,100, amounts received by you in excess of this limit may be excludable from ordinary income to the extent that you have actually incurred long-term care expenses in that amount. You should take into account the IRS limit when selecting the amount of monthly long-term care benefit you would like to receive. Please consult with your tax advisor for further guidance. For costs and further details of the coverage, including exclusions, any reductions or limitations, and terms under which the policy may be continued in-force, see your agent or write to the company.

* Lincoln may, at its discretion, change the Acceleration Charge percentage. Subject to the guaranteed maximum. In some states "Accumulation Long-Term Care" is used in place of "Acceleration."

† Lincoln may, at its discretion, change the Extension Charge percentage. Any such change will be made on a class basis in a nondiscriminatory manner and will be subject to approval by the state insurance authorities where the contract is delivered, as required by law.

Lincoln offers a nonforfeiture benefit option in the event you terminate the rider.

Finding the right fit

When preparing a retirement income strategy, be sure your plan will...

Last
your
lifetime

Weather
the market's
ups and downs

Have
the potential
to grow

Help protect
your lifestyle



Start protecting your future

With *Lincoln Long-Term Care Advantage*, you can enjoy your retirement without worrying about long-term care costs—whether you need care or not. Talk with your advisor today.

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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Lincoln Financial Group
150 N. Radnor-Chester Road
Radnor, PA 19087

LincolnFinancial.com

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LCN-1557524-072816

POD 7/16 **Z04**

Order code: VA-LTC-BRC001



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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.

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.

Lincoln variable annuities (contract form 30070-B and LTC riders AR-518, AR-519 and AE-517 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.

All contract and rider guarantees, including those for optional benefits, fixed subaccount crediting rates, or annuity payout rates, are subject to 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 other tax-qualified plan.

Limitations and exclusions may apply. Limitations and exclusions on eligibility of long-term care benefits include: receiving treatment for nervous or mental disorders (excluding Alzheimer's Disease or dementia), receiving treatment for alcoholism or drug addiction (unless the drug addiction is a result of medication taken in doses as prescribed by a physician), receiving treatment arising out of an attempt at suicide or an intentionally self-inflicted injury, or receiving treatment provided in a Veteran's Administration or other government facility. Anyone receiving Qualified Long-Term Care Services for which benefits are available under Medicare or other governmental programs (except Medicaid), workers compensation laws, employer's liability laws, occupational disease laws, or motor vehicle no-fault laws will also not be eligible. Additionally, this includes Qualified Long-Term Care Services provided by members of the Covered Life's Immediate Family, whether paid or unpaid.

Not available in New York.