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Fees and Retirement Plans

*Lincoln Director*SM New York group variable annuity

For *Lincoln Director*SM plans established after September 2008

Review your plan fees and understand the financial arrangements between Lincoln and the investment providers of your plan.

Name of investment/subaccount ¹	SA#	Investment Management Fee (IMF) charged by Lincoln ²	12b-1 fee received by Lincoln from the fund ⁵	Sub-TA or other revenue sharing received by Lincoln ⁶	Amount of the operating expense retained by fund company	Average operating expense of the underlying mutual fund ³	Total investment fee (IMF plus the average operating expense) ⁴	Lipper Peer Group/Average Lipper expense ratio for fund's assets class ⁷	
LVIP Delaware Growth and Income	11	0.400	0.000	0.150	0.260	0.410	0.810	Large-Cap Core	1.20
Delaware Corporate Bond	12	0.400	0.000	0.000	0.750	0.750	1.150	Corporate Debt Funds BBB-Rated	0.98
LVIP Money Market	14	0.300	0.000	0.160	0.270	0.430	0.730	Money Market	0.57
LVIP T. Rowe Price Structured Mid-Cap Growth	17	0.250	0.000	0.250	0.590	0.840	1.090	Mid-Cap Growth	1.03
AllianceBernstein VPS Growth and Income	19	0.300	0.000	0.200	0.420	0.620	0.920	Large-Cap Value	1.21
Delaware VIP High Yield Series	20	0.250	0.000	0.200	0.570	0.770	1.020	High Current Yield	1.20
LVIP Mondrian International Value	22	0.200	0.000	0.340	0.460	0.800	1.000	International Value	1.01
Delaware VIP U.S. Growth Series	23	0.300	0.000	0.200	0.560	0.760	1.060	Large-Cap Growth	1.25
Delaware VIP Trend Series	24	0.300	0.000	0.200	0.660	0.860	1.160	Small-Cap Growth	1.54
LVIP SSgA S&P 500 Index	27	0.290	0.000	0.220	0.110	0.330	0.620	S&P 500 Index Objective	0.40
LVIP MFS® Value	28	0.250	0.250	0.300	0.190	0.740	0.990	Multi-Cap Value	1.23
LVIP T. Rowe Price Growth Stock	29	0.150	0.000	0.340	0.480	0.820	0.970	Large-Cap Growth	1.25
AllianceBernstein VPS Global Thematic	31	0.300	0.000	0.200	0.730	0.930	1.230	Science & Technology	1.25
LVIP Delaware Social Awareness	33	0.300	0.000	0.190	0.250	0.440	0.740	Specialty/Miscellaneous	1.26
Fidelity VIP Contrafund®	35	0.150	0.100	0.120	0.540	0.760	0.910	Multi-Cap Core	1.33
LVIP SSgA Small-Cap Index	36	0.150	0.000	0.240	0.230	0.470	0.620	Small-Cap Growth	1.54
LVIP Mid-Cap Value	38	0.000	0.000	0.300	0.690	0.990	0.990	Mid-Cap Value	1.36
AllianceBernstein VPS Small/Mid Cap Value	39	0.300	0.000	0.200	0.660	0.860	1.160	Small-Cap Value	0.11
LVIP Cohen & Steers Global Real Estate	55	0.300	0.000	0.180	0.730	0.910	1.210	Real Estate	1.02
Delaware VIP Small Cap Value Series	56	0.300	0.000	0.200	0.650	0.850	1.150	Small-Cap Value	1.06
Fidelity VIP Equity-Income	57	0.300	0.250	0.130	0.440	0.820	1.120	Equity Income	0.89
Fidelity VIP Growth	58	0.300	0.250	0.130	0.550	0.930	1.230	Large-Cap Growth	1.25
Fidelity VIP Overseas	59	0.300	0.250	0.130	0.740	1.120	1.420	International Core	1.06
Delaware VIP Value	61	0.200	0.000	0.200	0.560	0.760	0.960	Large-Cap Value	1.21
LVIP Templeton Growth	62	0.200	0.250	0.250	0.570	1.070	1.270	Global Value	1.04
FTVIPT Franklin Small-Mid Cap Growth Securities	63	0.300	0.250	0.200	0.580	1.030	1.330	Mid-Cap Growth	1.03
Janus Aspen Series Mid Cap Growth	64	0.300	0.250	0.100	0.570	0.920	1.220	Mid-Cap Growth	1.03
MFS® VIT Growth Series	65	0.300	0.000	0.250	0.580	0.830	1.130	Multi-Cap Core	1.33
MFS® VIT Utilities Series	67	0.300	0.000	0.250	0.560	0.810	1.110	Utility	1.03
Janus Aspen Series Large Cap Growth	70	0.300	0.250	0.100	0.570	0.920	1.220	Large-Cap Growth	1.25
BlackRock Aurora	75	0.050	0.250	0.250	0.950	1.450	1.500	Small-Cap Core	1.37
BlackRock Small/Mid-Cap Growth	76	0.050	0.250	0.250	0.860	1.360	1.410	Small-Cap Growth	1.54
BlackRock Energy & Resources	77	0.050	0.250	0.250	0.770	1.270	1.320	Global Natural Resources	1.50
BlackRock Large Cap Value	80	0.050	0.250	0.250	0.730	1.230	1.280	Multi-Cap Value	1.23
BlackRock Capital Appreciation	81	0.050	0.250	0.250	0.850	1.350	1.400	Large-Cap Growth	1.25
BlackRock Mid-Cap Value Equity	83	0.050	0.250	0.250	0.760	1.260	1.310	Mid-Cap Value	1.36
Fidelity VIP Mid Cap	84	0.550	0.000	0.100	0.580	0.680	1.230	Mid-Cap Core	0.86
FTVIPT Templeton Global Bond Securities	86	0.550	0.000	0.200	0.380	0.580	1.130	Global Income	1.17
Delaware VIP Limited-Term Diversified Income	87	0.550	0.000	0.200	0.470	0.670	1.220	Short-Intermediate Investment Grade Debt	0.91
American Century VP Inflation Protection	92	0.350	0.000	0.240	0.250	0.490	0.840	General U.S. Government	1.08

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Delaware VIP Diversified Income	93	0.350	0.000	0.200	0.530	0.730	1.080	Intermediate Investment Grade Debt	0.93
Delaware VIP Emerging Markets	94	0.300	0.000	0.200	1.210	1.410	1.710	Emerging Markets	1.66
LVIP Delaware Foundation Conservative Allocation	95	0.200	0.000	0.300	0.450	0.750	0.950	N/A	
LVIP Delaware Foundation Moderate Allocation	96	0.200	0.000	0.300	0.460	0.760	0.960	N/A	
LVIP Delaware Foundation Aggressive Profile	97	0.200	0.000	0.300	0.460	0.760	0.960	N/A	
American Funds AMCAP	1A	0.150	0.250	0.100	0.380	0.730	0.880	Multi-Cap Core	1.33
American Funds Balanced	1B	0.150	0.250	0.100	0.300	0.650	0.800	Mixed-Asset Target Allocation Growth	1.31
American Funds High-Income Trust	1C	0.150	0.250	0.100	0.420	0.770	0.920	High Current Yield	1.20
American Funds Mutual	1D	0.150	0.250	0.100	0.310	0.660	0.810	Multi-Cap Value	1.23
American Funds Bond Fund of America	1E	0.150	0.250	0.100	0.320	0.670	0.820	Corporate Debt Funds A-Rated	1.08
American Funds Capital Income Builder	1F	0.150	0.250	0.100	0.300	0.650	0.800	Mixed-Asset Target Allocation Growth	1.31
American Funds Capital World Bond	1G	0.150	0.250	0.100	0.560	0.910	1.060	Global Income	1.17
American Funds Capital World Growth and Income	1H	0.150	0.250	0.100	0.440	0.790	0.940	Global Multi-Cap Value	1.43
American Funds EuroPacific Growth	1I	0.150	0.250	0.100	0.500	0.850	1.000	International Multi-Cap Growth	1.57
American Funds Fundamental Investors	1J	0.150	0.250	0.100	0.320	0.670	0.820	Large-Cap Core	1.20
American Funds Growth Fund of America	1K	0.150	0.250	0.100	0.320	0.670	0.820	Multi-Cap Growth	1.34
American Funds Income Fund of America	1L	0.150	0.250	0.100	0.300	0.650	0.800	Mixed-Asset Target Allocation Growth	1.31
American Funds Intermediate Bond Fund of America	1M	0.150	0.250	0.100	0.370	0.720	0.870	Short-Intermediate Grade Debt	0.91
American Funds Investment Company of America	1N	0.150	0.250	0.100	0.300	0.650	0.800	Large-Cap Core	1.20
American Funds New Economy	1P	0.150	0.250	0.100	0.490	0.840	0.990	Multi-Cap Growth	1.34
American Funds New Perspective	1Q	0.150	0.250	0.100	0.440	0.790	0.940	Global Large-Cap Core	0.15
American Funds New World	1R	0.150	0.250	0.100	0.690	1.040	1.190	Emerging Markets	1.66
American Funds SMALLCAP World	1S	0.150	0.250	0.100	0.720	1.070	1.220	Global Small-/Mid-Cap	1.67
American Funds U.S. Government Securities	1T	0.150	0.250	0.100	0.370	0.720	0.870	General U.S. Government	1.08
American Funds Washington Mutual Investors	1U	0.150	0.250	0.100	0.320	0.670	0.820	Large-Cap Value	1.21
LVIP Baron Growth Opportunities	1X	0.100	0.250	0.500	0.540	1.290	1.390	Small-Cap Growth	1.54
Delaware Small Cap Core	2C	0.000	0.500	0.100	1.000	1.600	1.600	Small-Cap Core	1.37
FTVIPT Franklin Income Securities	2I	0.150	0.250	0.200	0.270	0.720	0.870	Mixed-Asset Target Allocation Moderate	1.25
FTVIPT Mutual Shares Securities	2J	0.150	0.250	0.200	0.530	0.980	1.130	Multi-Cap Value	1.23
MFS® VIT Total Return	2R	0.050	0.250	0.250	0.560	1.060	1.110	Mixed-Asset Target Allocation Moderate	1.25
LVIP Wilshire 2010 Profile	L1	0.200	0.000	0.400	0.310	0.710	0.910	Mixed-Asset Target Allocation Moderate	1.25
LVIP Wilshire 2020 Profile	L2	0.200	0.000	0.410	0.310	0.720	0.920	Mixed-Asset Target Allocation Moderate	1.25
LVIP Wilshire 2030 Profile	L3	0.200	0.000	0.410	0.320	0.730	0.930	Mixed-Asset Target Allocation Growth	1.31
LVIP Wilshire 2040 Profile	L4	0.200	0.000	0.430	0.310	0.740	0.940	Multi-Cap Core	1.33

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LVIP SSgA International Index	L5	0.300	0.000	0.140	0.310	0.450	0.750	International Core	1.06
LVIP SSgA Bond Index	L6	0.300	0.000	0.260	0.170	0.430	0.730	Corporate Debt Funds BBB-Rated	0.98
LVIP Delaware Special Opportunities	L7	0.400	0.000	0.240	0.230	0.470	0.870	Mid-Cap Value	1.36
SSgA Russell 1000 Value Index	L8	0.500	0.000	0.000	0.060	0.060	0.560	N/A	
SSgA Russell 1000 Growth Index	L9	0.500	0.000	0.000	0.060	0.060	0.560	N/A	
SSgA S&P MidCap Index	LA	0.500	0.000	0.000	0.060	0.060	0.560	N/A	
SSgA Russell Small Cap Value Index	LB	0.500	0.000	0.000	0.060	0.060	0.560	N/A	
SSgA Russell Small Cap Growth Index	LC	0.500	0.000	0.000	0.060	0.060	0.560	N/A	
SSgA Real Asset	LD	0.500	0.000	0.000	0.300	0.300	0.800	N/A	
BlackRock Global Allocation	LE	0.050	0.250	0.250	0.720	1.220	1.270	N/A	
BlackRock Equity Dividend	LF	0.050	0.250	0.250	0.500	1.000	1.050	N/A	
BlackRock Large Cap Growth	LG	0.050	0.250	0.250	0.810	1.310	1.360	N/A	
Small Cap Equity Index ETF	LH	0.500	0.000	0.000	0.160	0.160	0.660	N/A	
International Equity Index ETF	LJ	0.500	0.000	0.000	0.350	0.350	0.850	N/A	
Large Cap Equity Index ETF	LK	0.500	0.000	0.000	0.130	0.130	0.630	N/A	

¹ Delaware Investments is a wholly owned subsidiary and a member of Lincoln Financial Group. Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its affiliates. Delaware Management Holdings, Inc. is an affiliate of Lincoln Financial Group.

² Lincoln charges each fund a separate Investment Management Fee (IMF). The fee can be quite low (for example 0.05% for the BlackRock Aurora Fund) or comparatively high (for example 0.55% for the Templeton Global Income Security Fund).

³ The underlying investments in the subaccounts consist of mutual funds. The underlying operating cost of the mutual fund is listed. The operating cost is from the fund's prospectus at a certain point in time and updated on a periodic basis.

⁴ This is the total investment fee paid from the assets by the plan with the investment management fee plus the operating expense of the underlying investment added together.

⁵ Some of the funds pay Lincoln a 12b-1 fee.

⁶ Some of the funds pay Lincoln a Sub-TA fee as a part of a revenue sharing agreement.

⁷ Source: Lipper Expense Ratio; Morningstar & Lipper Data as of December 31, 2008. If a particular fund did not clearly fit one of the Lipper categories, we put N/A. This information can be used to compare the fees inside the Lincoln Separate Accounts to the Lipper average expense ratio.

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How to read and understand the chart

The footnotes should be reviewed to understand what each column represents. The best way to understand the chart and associated fees is to walk through a couple of examples. Let's look at the American Century VP Inflation Protection separate account #92 on page one. This is a separate account that invests in the American Century VP Inflation Protection mutual fund. That mutual fund has an underlying operating expense of approximately 0.49%. Through a Sub-TA agreement, Lincoln will receive 0.24% of this fee and American Century will keep 0.25%. The 0.24%, in addition to the IMF listed in the third column (0.35 for the American Century VP Inflation Protection separate account), is the revenue received by Lincoln. To better understand this, let's put it in dollars and cents. Suppose your plan has \$50,000 in the American Century VP Inflation Protection separate account. On an annual basis, the fee for this

fund is \$420 ($\$50,000 \times 0.84\%$). Lincoln will receive \$295 and American Century will receive \$125.

Let's now look at the Delaware VIP High Yield Bond Series subaccount #20. Assume your plan has \$50,000 in this fund. The fees being debited from the plan would be \$510 ($\$50,000 \times 1.020\%$). Of the \$510, Delaware Investments will receive \$285 and Lincoln will receive \$225.

These are the fees, along with the asset charge and other expenses, that the plan fiduciary needs to review and determine if they are reasonable for the services rendered in the operation of the plan. Those services are summarized later in this document.

Other fees you may be paying

In addition to the above fund-related cost, there are other fees that you may be paying either directly or from the assets in the plan. They are a plan asset fee and administrative services/recordkeeping fees.

The asset fee is used primarily to pay for the distribution and selling cost of the plan and the cost to maintain these payments to our agents and other distribution partners. It may also be used to pay for a surrender charge that Lincoln absorbed when we first converted the plan over to our product. The surrender charge, if applicable, would have been assessed by your old service provider. Additionally, the asset charge may be used to pay for the recordkeeping and administrative services and investment services mentioned later in this document. Administrative service/recordkeeping fees include such services as Form 5500 preparation, loan administration, compliance testing, plan document services, participant level recordkeeping, and other plan

consulting services. The administrative/recordkeeping fee is either being paid by you or from your plan participants' accounts to a Third Party Administrator (TPA) or to Lincoln if you are taking advantage of our full bundled service offering.

In many cases, the administrative service fees are paid, in part or whole, by the IMF, Sub-TA fees mentioned above, or the asset fee. If a plan sponsor pays these fees directly, then the plan will generally have a lower asset charge.

The Lincoln Life & Annuity Company of New York group annuity contract issued to a plan sponsor will also include a contract specification page. This page clearly discloses the account charge or recordkeeping fee, the asset charge, and surrender or withdrawal fee (if any) as well as the investment management fee listed in the chart. The group annuity contract is the most comprehensive source of fee information that is unique to your contract and the best source of information regarding fees and fee disclosure. If you are a new client or a prospective client, your agent or broker will be able to help you with understanding all the fees associated with *Lincoln Director*SM through our proposal and internal sales support. Since the asset fee and plan administrative/recordkeeping fee are different for each plan, you will need to either ask your agent/intermediary about these fees or you can call your relationship manager at 800 248-0838 and we will be able to provide this information to you.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
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May go down in value

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A group variable annuity is a long-term investment product designed particularly for retirement purposes. Group annuities contain both investment and insurance components and have fees and expenses, including administrative and advisory fees. Optional features may be 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 may carry tax consequences, including possible tax penalties.

Lincoln Director™ group variable annuity (contract form 19476NY-A 7/04) is issued by Lincoln Life & Annuity Company of New York, Syracuse, NY, and distributed by Lincoln Financial Distributors, Inc., a broker/dealer. **Contractual obligations are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.**

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

