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## GROUP ANNUITY CONTRACT

Lincoln Life & Annuity Company of New York agrees to provide the benefits and other rights in accordance with the terms of this contract.

This contract is delivered in the jurisdiction of New York and is governed by and subject to the laws of that jurisdiction.

ALLOCATED  
GROUP FIXED AND VARIABLE DEFERRED ANNUITY CONTRACT  
GUARANTEED ACCOUNT AND SEPARATE ACCOUNT  
FLEXIBLE PREMIUM  
NONPARTICIPATING

ALL VALUES PROVIDED BY THIS CONTRACT, WHEN BASED ON INVESTMENT EXPERIENCE OF THE SEPARATE ACCOUNT, ARE VARIABLE. THE VALUES ARE NOT GUARANTEED AS TO A FIXED DOLLAR AMOUNT AND WILL INCREASE OR DECREASE IN VALUE BASED UPON INVESTMENT RESULTS.

Signed for Lincoln Life & Annuity Company of New York at its Home Office in Syracuse, New York  
“LNY”

  
SECRETARY

  
President

Examined SG

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## CONTRACT SPECIFICATIONS

**CONTRACT NUMBER:** GP-[Specimen]

**CONTRACT OWNER:** [The Trustees of ABC Company 401(k) Plan]

**EFFECTIVE DATE:** [October 1, 2007]

**GUARANTEED ACCOUNT MINIMUM INTEREST RATE:** [0.00%]

**ACCOUNT CHARGE:** [\$15.00 ] annually

**ASSET CHARGE PERCENTAGE:** [0.0800%] monthly, [0.9600%] annually

**CONTRACT CHARGE:** [\$1,000.00] annually

**WITHDRAWAL CHARGE:** A charge that may be imposed to funds withdrawn from this Contract. The Withdrawal Charge is the percentage of the withdrawal amount based on the Contract Year as follows:

<u>Withdrawal during Contract Year</u>	<u>Percentage of Withdrawal Amount</u>
1	[7.00]%
2	[6.00]%
3	[5.00]%
4	[4.00]%
5	[3.00]%
6	[2.00]%
7	[1.00]%
8	[0.00]%
9	[0.00]%
10+	[0.00]%

### SCHEDULE OF SYSTEMATIC TRANSFERS OR INSTALLMENTS:

<u>Payment Dates</u>	<u>Percentage Eligible for Transfer</u>
Initial Date	20% of the balance on such date
First Anniversary	20% of the balance on such date
Second Anniversary	25% of the balance on such date
Third Anniversary	33% of the balance on such date
Fourth Anniversary	50% of the balance on such date
Fifth Anniversary	100% of the balance on such date

**SEPARATE ACCOUNT: LNY SEPARATE ACCOUNT 401 FOR GROUP ANNUITIES**  
**The SUB-ACCOUNTS (SA) and respective INVESTMENT MANAGEMENT FEE (IMF) DAILY**  
**FACTORS are:**

<u>Sub-account #</u>	<u>Purchases shares of:</u>	<u>IMF Daily Factor</u>
SA #11	LVIP Delaware Growth and Income Fund	.00001096
SA #12	Delaware Corporate Bond Fund	.00001096
SA #14	LVIP Money Market Fund	.00000822
SA #17	LVIP T. Rowe Price Structured Mid-Cap Growth Fund	.00000685
SA #19	AllianceBernstein VPS Growth and Income Portfolio	.00000822
SA #20	Delaware VIP High Yield Series	.00000685
SA #22	LVIP Mondrian International Value Fund	.00000548
SA #23	Delaware VIP U.S. Growth Series	.00000822
SA #24	Delaware VIP Trend Series	.00000822
SA #27	LVIP S&P 500 Index Fund	.00000795
SA #28	Wells Fargo VT Equity Income Fund	.00000685
SA #29	AllianceBernstein VPS Large Cap Growth Portfolio	.00000822
SA #31	AllianceBernstein VPS Global Technology Portfolio	.00000822
SA #33	LVIP Delaware Social Awareness Fund	.00000822
SA #34	American Funds Insurance Series Global Growth Fund	.00000822
		(.00000411 until 6/30/09)
SA #35	Fidelity VIP Contrafund Portfolio	.00000411
SA #36	LVIP Small-Cap Index Fund	.00000411
SA #37	Neuberger Berman AMT Mid-Cap Growth Portfolio	.00000411
SA #38	Neuberger Berman AMT Regency Portfolio	.00000411
SA #39	AllianceBernstein VPS Small/Mid Cap Value Portfolio	.00000822
SA #46	American Funds Insurance Series Global Small Capitalization Fund	.00000822
SA #48	American Funds Insurance Series Growth Fund	.00000822
SA #49	American Funds Insurance Series Growth-Income Fund	.00000822
SA #54	American Funds Insurance Series International Fund	.00000822
SA #55	LVIP Cohen & Steers Global Real Estate Fund	.00000822
SA #56	Delaware VIP Small Cap Value Series	.00000822
SA #57	Fidelity VIP Equity-Income Portfolio	.00000822
SA #58	Fidelity VIP Growth Portfolio	.00000822
SA #59	Fidelity VIP Overseas Portfolio	.00000822
SA #61	Delaware Value Fund	.00000822
SA #62	LVIP Templeton Growth Fund	.00000548
SA #63	FTVIPT Franklin Small-Mid Cap Growth Securities Fund	.00000822
SA #64	Janus Aspen Series Mid Cap Growth Portfolio	.00000822
SA #65	MFS VIT Emerging Growth Series	.00000822
SA #67	MFS VIT Utilities Series	.00000822
SA #70	Janus Aspen Series Large Cap Growth Portfolio	.00000822
SA #75	BlackRock Aurora Portfolio	.00000137
SA #76	BlackRock Small/Mid-Cap Growth Portfolio	.00000137
SA #77	BlackRock Global Resources Portfolio	.00000137

SA #80	BlackRock Large Cap Value Fund	.00000137
SA #81	BlackRock Capital Appreciation Fund	.00000137
SA #83	BlackRock Mid Cap Value Equity Portfolio	.00000137
SA #84	Fidelity VIP Mid Cap Portfolio	.00001507
SA #86	FTVIPT Templeton Global Income Securities Fund	.00001507
SA #87	Delaware VIP Capital Reserves Series	.00001507
SA #92	American Century VP Inflation Protection Fund	.00000959
SA #93	Delaware VIP Diversified Income Fund	.00000959
SA #94	Delaware VIP Emerging Markets Fund	.00000822
SA #95	LVIP Wilshire Conservative Profile Fund	.00000548
SA #96	LVIP Wilshire Moderate Profile Fund	.00000548
SA #97	LVIP Wilshire Moderately Aggressive Profile Fund	.00000548
SA #98	LVIP Wilshire Aggressive Profile Fund	.00000548
SA #L1	LVIP Wilshire 2010 Profile Fund	.00000548
SA #L2	LVIP Wilshire 2020 Profile Fund	.00000548
SA #L3	LVIP Wilshire 2030 Profile Fund	.00000548
SA #L4	LVIP Wilshire 2040 Profile Fund	.00000548

See Article 2 for provisions governing any changes or deletions of the Sub-accounts.

## ARTICLE 1 – DEFINITIONS

- 1.01 “Annuitant” – a person for whom a retirement certificate has been issued under Article 3 of this contract.
- 1.02 “Asset Charge” – an amount deducted from each Participant Account or billed to the Contract Owner.
- 1.03 “Average Balance” – a factor used to determine the annual Asset Charge under section 2.15 subsection b.
- 1<sup>st</sup> Contract Year - the sum of the month end balances of the Contract Owner Account divided by the number of non-zero month end balances.
  - 2<sup>nd</sup> and subsequent Contract Years - the sum of (a) and (b) divided by two, where (a) is the balance of the Contract Owner Account on the last day of the Contract Year for which the Asset Charge is being calculated and (b) is the balance of the Contract Owner Account on the last day of the previous Contract Year.
- 1.04 “Code” – the Internal Revenue Code of 1986, as amended.
- 1.05 “Contract Owner Account” – the sum of the value of the Guaranteed Account and the value of the Separate Account held under this contract by the Contract Owner as shown on the Contract Specifications.
- 1.06 “Contract Year” – a twelve month period, which begins on the Effective Date as shown on the Contract Specifications or on the anniversary of the Effective Date.
- 1.07 “Guaranteed Account” – an account established for this contract that is part of the general assets of LNY.
- 1.08 “LNY” (we, us, our) – Lincoln Life & Annuity Company of New York
- 1.09 “Market Value Adjustment” – an adjustment to a withdrawal or transfer from the Guaranteed Account. The amount paid is the withdrawal or transfer times the market value factor.

The market value factor is the lesser of 1.00 or the ratio of:

$$\frac{\text{current bond price}}{\text{par value of that bond}}$$

Where the current bond price is equal to the price of a bond that is:

1. issued with a maturity of 6.5 years;
2. bearing interest at the weighted average of the declared interest rates;

3. calculated to yield the Merrill Lynch BBB 10-Year Industrial Average based on the most recent information. If such average ceases to be published, LNY will select a comparable survey.
- 1.10 “Notice” – a written, signed communication from the Contract Owner to LNY or another manner approved in advance by LNY. All Notices must be received by LNY at our Servicing Office in good order.
- 1.11 “Participant” – a person defined as a participant in the Plan and who contributes to this contract.
- 1.12 “Participant Account” – for each Participant under this contract, the sum of the value of the Guaranteed Account and the value of the Separate Account held under this contract on behalf of that Participant.
- 1.13 “Participant Year” – each one year period of time which starts with the effective date of a Participant’s coverage under this contract.
- 1.14 “Plan” - The retirement Plan which is funded by this contract. The Plan must meet the requirements of the Code sections specified by LNY for purchasers of this contract.
- 1.15 “Servicing Office” – The office located at 1300 South Clinton Street, Fort Wayne, Indiana, 46802, 1-800-248-0838, or any other location or institution designated by LNY.
- 1.16 “Separate Account” – a segregated investment account established by LNY under New York law.
- 1.17 “Sub-account” – a portion of the Separate Account which invests in shares of a particular mutual fund or series that corresponds to a specific Sub-account.
- 1.18 “Valuation Date” – a day on which a unit value is calculated for the Sub-accounts.
- 1.19 “You or Your” – the Contract Owner as shown on the Contract Specifications.

## ARTICLE 2 – FUNDING

- 2.01 We will maintain a Participant Account for each Participant.
- 2.02 Deposits must be made to us at our Servicing Office.
- 2.03 Deposits will be invested among the Guaranteed Account or any of the Sub-accounts in 1% multiples according to the investment allocation in effect at the time of deposit.

Deposits will be invested in SA #14 when one of the following occurs:

- no investment allocation is received
  - the allocation percentages do not equal 100%
  - any percentage directed to an investment option(s) that is not available to the Participant
  - any other invalid allocation.
- 2.04 Investment allocations for future deposits may be changed at any time as permitted by You. Any change must be made in a manner acceptable by us.
- 2.05 All deposits maintained in the Guaranteed Account will be guaranteed against loss of principal, except as provided in sections 2.14, 2.15, 2.16, 2.18, 2.21, 4.03, 4.04 and 4.05. We will credit interest daily at an interest rate that will not be less than the Guaranteed Account Minimum Interest Rate as shown on the Contract Specifications.

Interest rates will be declared each quarter and made available reasonably in advance of that quarter. The interest rates credited will reflect the current economic conditions, investment yields in the corporate and government bond markets, and the overall yield of our general account. From the expected investment yields, we will deduct a provision for expected investment defaults, investment expenses, and a profit margin to determine the credited rates.

Deposits received in any quarter will earn interest at the declared new money rate for that quarter and for the next three quarters. When deposits are beyond the initial four-quarter period, they will earn interest at the portfolio rate. The portfolio rate is declared for the coming quarter and is in effect only for that quarter.

- 2.06 We may establish additional Separate Accounts or Sub-accounts from time to time. We have the sole power to manage our Separate Accounts or Sub-accounts, including, but not limited to, changing the underlying investment options, changing the name of the Separate Account or Sub-account, changing the investment objective of the Separate Account or Sub-account or merging Separate Accounts or Sub-accounts. We will notify You when these changes are made.
- 2.07 We may discontinue a Separate Account or Sub-account at any time by giving You written notice. The value of any remaining units in the Sub-account on the date of discontinuance will be transferred to SA #14.
- 2.08 Any deposit received 30 days or more following the notification of any change, as specified in section 2.06 or 2.07, and received prior to the change occurring, will serve as the Contract Owner's acceptance of the change. If You object to such a change, a Notice of objection must be

received at our Servicing Office prior to the effective date of the change. If neither a deposit nor a Notice of objection is received, the change will be effective for Your contract.

- 2.09 Income, gains, and losses, realized or unrealized, of a Separate Account will be credited to or charged against the Separate Account. The Separate Account will not be charged with the liabilities arising out of any other business of LNY. We will maintain in each Separate Account assets with a value at least equal to the amounts accumulated in accordance with the applicable agreements with respect to such Separate Account and the reserves for annuities in the course of payment that vary with the investment experience of such Separate Account. The liability under any contract guarantees is limited to the Contract Owner's interest in assets allocated to the Separate Account.
- 2.10 We do not guarantee any deposit or transfer into the Separate Account against investment loss.
- 2.11 The Sub-accounts are divided into units. When an amount is deposited to or withdrawn from a Sub-account, the number of units is adjusted.
- 2.12 As of any Valuation Date, the value of the Participant's share of the Separate Account will equal the number of units held in each Sub-account by the Participant times the unit value of each respective Sub-account.

The unit value of each Sub-account is:

1. the market value of all securities in the Sub-account
2. minus the liabilities of the Sub-account, including the IMF Daily Factor as shown on the Contract Specifications, multiplied by the number of days since the last Valuation Date
3. divided by the outstanding units of the Sub-account.

The unit value may decrease, increase or remain the same.

In certain circumstances, and when permitted by law, we may use a different standard industry method for this calculation which will achieve substantially the same result as the method described above.

The Separate Account will be valued each day the New York Stock Exchange (NYSE) is open for trading and we are open for business.

- 2.13 At least once during each Contract Year, we will provide You a report of the value of the Contract Owner Account.
- 2.14 Account Charge, as shown on the Contract Specifications
- a. Contract Deduction - On the last day of each Participant Year, we will deduct an Account Charge from each Participant Account. The Account Charge will be deducted from each Participant Account on a pro rata basis based on the Participant's balances in the Guaranteed Account and the Separate Account. The Account Charge will also be deducted upon withdrawal of the entire Participant Account.

- b. Contract Owner Billing - If You choose to pay the Account Charge, we will bill You at the end of each Contract Year for an amount equal to the Account Charge times the number of Participant Accounts as of the last day of the Contract Year plus the number of Participants for whom the Participant Account has been withdrawn within the last six months of the Contract Year. If the bill is not paid in full within 30 days, we will deduct the Account Charge as of a current date, as specified in subsection a., and all future Account Charges will be deducted.

The Account Charge will be deducted at contract discontinuance.

#### 2.15 Asset Charge, as shown on the Contract Specifications

- a. Contract Deduction - We will deduct an Asset Charge from each Participant Account on each monthly anniversary of the Effective Date. The monthly Asset Charge will be an amount equal to the Participant Account on each monthly anniversary multiplied by the monthly Asset Charge Percentage. The Asset Charge will be deducted from each Participant Account on a pro rata basis based on the balances in the Guaranteed Account and the Separate Account.
- b. Contract Owner Billing - If You choose to pay the Asset Charge, we will bill You at the end of each Contract Year. The Asset Charge will be an amount equal to the Average Balance of the Contract Owner Account multiplied by the annual Asset Charge Percentage as shown on the Contract Specifications. If the bill is not paid in full within 30 days, we will deduct the Asset Charge as of a current date. Each Participant will pay a portion of the Asset Charge equal to the Average Balance of their Participant Account multiplied by the annual Asset Charge Percentage. Each Participant's portion will be deducted from their Participant Account as specified in subsection a. and all future Asset Charges will be deducted.

Any Asset Charge accrued since the last time the Asset Charge was deducted or billed, will be prorated and deducted upon withdrawal of the entire Participant Account or at contract discontinuance.

#### 2.16 Contract Charge, as shown on the Contract Specifications

- a. Contract Owner Billing - We will bill You for the annual Contract Charge at the end of each Contract Year. If the bill is not paid within 30 days, we will deduct the Contract Charge as of a current date. Each Participant will pay a portion of the Contract Charge equal to their Participant Account on the last day of the Contract Year divided by the Contract Owner Account, then multiplied by the annual Contract Charge. Each Participant's portion will be deducted from their Participant Account on a pro rata basis based on the Participant's balances on such date in the Guaranteed Account and the Separate Account.
- b. Contract Deduction - If You choose, we will deduct the annual Contract Charge at the end of each Contract Year. Each Participant will pay a portion of the Contract Charge as specified in subsection a.

The annual Contract Charge will be deducted at contract discontinuance.

- 2.17 The contract permits the Contract Owner to retain fiduciary responsibility for the decision to transfer or withdraw assets from the contract. If the Contract Owner exercises that responsibility, Participant consent is not required, however, an ERISA fiduciary must act in the best interest of Plan Participants. Such transfer or withdrawal may be subject to a Withdrawal Charges and Market Value Adjustment.
- 2.18 The Contract Owner or Participant (if permitted by the Contract Owner) may transfer balances held in any Sub-account between the Sub-accounts and the Guaranteed Account. However, balances held in the Guaranteed Account are subject to the following provisions:
- a. Periodic Elective Transfers - The cumulative percentage available for transfer from the Guaranteed Account is 20% of the Participant's Guaranteed Account in any twelve month period. The cumulative percentage is the sum of all transfers in the preceding twelve month period plus the amount to be transferred divided by the then current balance of the Participant's Guaranteed Account. Any transfer amount in excess of 20% is subject to a Market Value Adjustment.
  - b. Systematic Transfers - If a transfer has not been made under subsection a. within the immediately preceding twelve month period, a scheduled transfer of the Guaranteed Account balance may be elected. The timing and percentage of each transfer will be as indicated in the Schedule of Systematic Transfers or Installments as shown on the Contract Specifications. If Systematic Transfers are elected, transfers under subsection a. will not be available during the period of scheduled payments. Systematic Transfer requests must be submitted by providing Notice.

Any time after the initial transfer date, the election of the Systematic Transfers may be rescinded by providing Notice. In this event, transfers under subsection a. will not be available until the one-year anniversary of the last transfer made prior to rescinding the election of Systematic Transfers. However, to elect to transfer the remaining balance from the Guaranteed Account, such transfer amount will be subject to a Market Value Adjustment.

The ability to make transfers may be limited to the extent that an investment manager or underlying fund limits trading activity.

- 2.19 A withdrawal made on behalf of a Participant may be in any of the following forms as directed by You:
- a cash distribution
  - an annuity benefit as governed by the provisions of Article 3.
- 2.20 Cash distributions from the Participant Account for the following reasons are not subject to the Withdrawal Charge or Market Value Adjustment:
- Participant's death
  - disability
  - Participant-initiated termination of employment, including but not limited to:
    - a. normal retirement
    - b. early retirement
    - c. dismissal due to performance

- hardship
- in-service withdrawal at normal retirement
- loan
- Plan expenses
- Qualified Domestic Relations Order
- required minimum distribution.

Any such cash distribution must be allowed by the Plan.

If the Plan has assets invested outside this contract, we may limit cash distribution requests in direct proportion to the percentage that the balance of the Contract Owner Account represents of the total assets in the Plan.

2.21 Cash distributions from the Participant Account as a result of one of the following reasons are subject to the Withdrawal Charge and Market Value Adjustment:

- Plan termination
- in-service withdrawal prior to normal retirement
- consolidation
- layoff
- merger
- plant shutdown
- reorganization
- sale
- spinoff
- any other program instituted by the Participant's employer
- any other reason not stated in section 2.20.

2.22 You must submit withdrawal requests to us by providing Notice. We reserve the right to require proof of the event giving rise to any withdrawal under this contract.

2.23 If orderly markets do not exist, we may defer transactions, such as deposits, cash distributions and transfers, until such time as orderly markets do exist.

## ARTICLE 3 – ANNUITY BENEFITS

- 3.01 You may establish an annuity benefit for any Participant. The amount needed to establish the annuity benefit will be withdrawn from the Participant Account, as directed by You using the amount available for the Participant under the provision of section 2.20. Such annuity benefit will be established using the rates in Article 6. The annuity benefit at the time of commencement will not be less than those that would be provided by the application of an amount to purchase any single consideration immediate annuity contract offered by LNY at that time to the same class of contract. The Participant will be referred to as an Annuitant for the remainder of this Article.
- 3.02 All annuity benefits are guaranteed annuities payable in fixed dollar amounts. These annuity payment options are available:
- a. Life Annuity Only - Monthly payments will be made only during the life of the person on whom the payments are based.
  - b. Life Annuity, Guaranteed Period - Monthly payments will be made during the life of the person on whom the payments are based. In the event of the Annuitant's death prior to the period certain of 10, 15, or 20 years, as selected, payments will continue to the beneficiary for the remainder of that period.
  - c. Joint and Survivor Annuity - Monthly payments will be made during the life of the Annuitant with a survivor annuity for the life of the Annuitant's contingent annuitant. Upon the death of the Annuitant, one-half, two-thirds, or the full amount of the annuity payments will continue to the contingent annuitant, if living, and will terminate upon the death of such contingent annuitant. We may require satisfactory proof of Annuitant's and contingent annuitant's death.
  - d. Any other option to which we agree.
- The form of annuity or a contingent annuitant may not be changed subsequent to the issuance of the retirement certificate.
- 3.03 Article 6 of this contract illustrates the annuity amounts and the age adjustments which will be used to determine the monthly annuity payment option. The tables show the dollar amount of the guaranteed monthly annuity payout which can be established with each \$1,000. Amounts shown use the 1983 'a' Individual Annuity Mortality Table, modified, with an assumed interest rate of return of 1.50% per year and no expense load.
- 3.04 The minimum monthly annuity payment available under this contract is \$100. We reserve the right to change the frequency of annuity payments from twelve times a year to four times a year, two times a year, or one time a year so that payments will be at least \$100 each.
- 3.05 We will issue to each Annuitant a retirement certificate that sets forth the amount and terms of the annuity benefit.

- 3.06 No annuity benefit may be assigned or attached, except those benefits assigned or attached by a Qualified Domestic Relations Order pursuant to the Retirement Equity Act of 1984, as may be amended, or pursuant to the Federal Tax Levy under section 6331 of the Internal Revenue Code.
- 3.07 If we receive proof that a person receiving payments under this contract is legally or mentally incompetent, the payments may be made to any person deemed a legal representative by a court of competent jurisdiction; as mandated by the court or required by regulation.
- 3.08 We will require satisfactory proof of each Annuitant's age. If it is determined that an Annuitant's age has been misstated, annuity payments will be adjusted. Any underpayments already made will be made up immediately and any overpayments already made will be charged against the annuity payments falling due after the adjustment. Adjustments will use an interest rate of 4% per annum.
- 3.09 An Annuitant may name a beneficiary or a contingent annuitant for any annuity. The Annuitant may change the beneficiary at any time without the consent of a previous beneficiary unless the previous designation provides otherwise. However, if the Annuitant is married, the Annuitant's spouse must agree in writing to another person being named beneficiary or contingent annuitant. The change is not effective until the Notice is received and recorded by us. Once recorded, the change is effective as of the date it was signed. A beneficiary or a contingent annuitant does not have the right to name a beneficiary.
- 3.10 If an Annuitant dies and there is no named beneficiary living at the time of the Annuitant's death, the Annuitant's estate will be paid any guaranteed payments due in one lump sum. If a named beneficiary is receiving guaranteed payments and dies, the remaining payments will be paid in one lump sum to a contingent beneficiary if living at the time of the beneficiary's death. Payments will otherwise be made to the beneficiary's estate. Lump sum payments will equal the discounted guaranteed payments at the portfolio rate then being credited under section 2.05.
- 3.11 We may, at any time, require proof that any payee under this contract is living when payment is contingent upon survival of such payee.

## ARTICLE 4 – CONTRACT DISCONTINUANCE

- 4.01 You may discontinue this contract at any time by giving Notice. The discontinuance date will be no more than 60 days from the date we receive Notice. If You request a discontinuance date that is more than 60 days after we receive Notice, such request will require our approval.
- 4.02 We may give You written notice that this contract is to be discontinued if:
- a. any charges billed to You have not been paid to us within 30 days; or
  - b. the Plan ceases to meet the requirements of the Code sections specified by us for purchasers of this contract; or
  - c. at any time following the end of the third Contract Year, the Contract Owner Account is less than \$15,000; or
  - d. at any time following the end of the third Contract Year, there is no deposit activity for a 24 consecutive month period and the Contract Owner Account is less than \$50,000; or
  - e. You fail to furnish requested information or other documentation; or
  - f. we discover any misrepresentation of material information.

The notice will specify a discontinuance date at least 90 days from the date of the notice.

- 4.03 After the notification of discontinuance as referenced in section 4.01 or 4.02, deposits and withdrawal requests will be accepted by us until the discontinuance date. Cash distributions for any reason other than death, disability, Qualified Domestic Relations Order or required minimum distribution, received after the notification of discontinuance will be subject to the Withdrawal Charge and Market Value Adjustment.
- 4.04 As of the discontinuance date, we will deduct any outstanding charges plus the following charges and adjustment from each Participant Account:
1. Account Charge, as described in section 2.14 subsection a.
  2. Asset Charge – the Asset Charge will cover the number of days from the most recent calculation to the discontinuance date, as described in section 2.15 subsection a.
  3. Contract Charge, as described in section 2.16 subsection b.
  4. Market Value Adjustment, as describe in section 1.09. Only applies if You elect the Lump Sum option in section 4.05.
  5. Withdrawal Charge, as shown on the Contract Specifications
- 4.05 As directed by You, the balance in the Guaranteed Account will be paid out in one of the following options:

- a. Lump Sum - the amount payable will be the balance in the Guaranteed Account as of the discontinuance date, reduced by the charges and the adjustment outlined in section 4.04.

Your election to receive the Guaranteed Account in a lump sum must be done for the primary benefit of the Participants. If, subsequent to such lump sum payment, we are ordered by any court of competent jurisdiction to refund all or any portion of a loss to Participants, You will reimburse us for such amounts.

- b. Systematic Installments - the amount payable will be the balance of the Guaranteed Account as of the discontinuance date, reduced by the charges outlined in section 4.04, paid in six payments. The timing and percentage of each installment payment will be as indicated in the Schedule of Systematic Transfers or Installments as shown on the Contract Specifications. After the initial date, assets remaining in the Guaranteed Account will continue to receive interest in the same manner as before installments began, however, in no event will the interest rate be less than 1.5% below the net effective rate of interest credited at the time of discontinuance. You may at any time after the initial date elect to receive the remaining balance of the Guaranteed Account in a lump sum, subject to the Market Value Adjustment.

4.06 The balance of the Sub-accounts as of the discontinuance date, reduced by the charges outlined in section 4.04, will be paid in a lump sum. If, subsequent to such lump sum payment, we are ordered by any court of competent jurisdiction to refund all or any portion of a loss to Participants, You will reimburse us for such amounts.

4.07 All payments will be made to a Plan trustee or as directed by You. We will rely on Your Notice to transfer assets to a specified party. We do not need to verify that such specified party has the right to receive any payments.

4.08 The discontinuance of this contract will have no effect upon the benefits to be provided by us to any Annuitant for whom a retirement certificate has been issued under the provisions of Article 3 prior to the date of discontinuance. The amounts available for withdrawal under this Article 4 will not include any amounts then currently being administered under the provisions of Article 3.

4.09 This contract will terminate on the date the last payment is made under the provisions of Article 4.

## ARTICLE 5 – GENERAL PROVISIONS

- 5.01 This contract may be used to fund all or part of the Plan's obligations. The provisions of the Plan control the operation of the Plan and the provisions of this contract control the operation of this contract. We are not party to the Plan. The Plan is mentioned merely for reference purposes. This contract must be held for the exclusive benefit of the Participants and their beneficiaries.
- 5.02 A Participant will receive an active life certificate upon our receipt of a duly completed enrollment form.
- 5.03 You and we are parties to this contract. However, when a retirement certificate is issued to an Annuitant under the provisions of Article 3, we will thereafter be responsible for providing the benefits provided by said certificate.
- 5.04 Except as allowed by the Plan or applicable law, this contract may not be transferred, sold, assigned, discounted or pledged, either as collateral for a loan or as security for the performance of an obligation or for any other purpose.
- 5.05 We have the right to amend this contract as follows:
- a. To maintain this contract under applicable local, state, or federal laws or regulations.
  - b. To change the following charges and fees as shown on the Contract Specifications: Account Charge, Asset Charge Percentage, Contract Charge and IMF Daily Factor any time after the end of the second Contract Year.
  - c. To change the following charges as shown on the Contract Specifications: Account Charge, Asset Charge Percentage, Contract Charge and Withdrawal Charges if a reduction in the Contract Owner Account of 75% or more occurs in any twelve month period.
- 5.06 Any change to this contract must be in writing and signed by Our President, Vice-President, Secretary or an Assistant Secretary. We will give written notice of any change at least 60 days prior to its effective date.
- 5.07 You and we may also mutually agree to amend this contract. The consent of any Participant, Annuitant or beneficiary is not required. No amendment will affect the terms of any retirement certificate that has already been issued to an Annuitant under the provisions of Article 3.
- 5.08 This contract is subject to the incontestability laws of the state of New York.
- 5.09 This document, any amendments, endorsements and riders, together with the acceptance application signed by You constitutes the entire contract between You and us.
- 5.10 We are not liable to provide sufficient assets to provide the Plan's benefits.
- 5.11 No suit may be brought in relationship to this contract unless it is brought within three years after the date on which this suit could have first been brought. If this limitation is prohibited by the

laws of New York, this limitation shall be deemed to be amended to agree with the minimum period of limitation permitted by those laws.

- 5.12 Any Notice required by this contract must be delivered to us at our Servicing Office. Any notice to You will be delivered at the address shown on our records.
- 5.13 We are not a trustee for assets held in this contract.
- 5.14 We reserve the right to recover assets previously deposited into the contract due to an error (including any gain and less any loss while such assets were invested in the contract) and agree to credit the contract any amount not previously deposited into the contract due to an error (including any gain and less any loss while such assets were not invested in the contract) to reflect the correct account balance as though the error had not occurred. We reserve the right to utilize legal remedies to pursue losses incurred as a result of an error.
- 5.15 We reserve the right to suspend or postpone the processing of any transactions under this contract for any period when:
  - a. an emergency occurs; or
  - b. trading on the New York Stock Exchange is restricted; or
  - c. a state insurance department permits for protection of contract owners.
- 5.16 Our failure to perform or insist upon the strict performance of any provision or condition of the contract will not:
  - a. constitute a waiver of Our rights to perform or require performance of such provision or condition; or
  - b. stop us from exercising any other rights we may have in such provision, condition, or otherwise in this contract.
- 5.17 If any provision of this contract is determined to be invalid, the remainder of the provisions shall remain in full force and effect.
- 5.18 Any questions concerning this contract should be directed to Your LNY representative or our Servicing Office.

## ARTICLE 6 – ANNUITY PURCHASE RATES

### SINGLE LIFE ANNUITY TABLE CERTAIN PERIOD

DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS  
PURCHASED WITH EACH \$1,000 APPLIED

<u>Annuitant Age</u>	<u>None</u>	<u>120 Months</u>	<u>180 Months</u>	<u>240 Months</u>
55	\$3.21	\$3.19	\$3.17	\$3.13
56	3.28	3.26	3.24	3.20
57	3.36	3.34	3.31	3.26
58	3.43	3.41	3.38	3.32
59	3.52	3.49	3.46	3.39
60	3.61	3.58	3.54	3.46
61	3.70	3.67	3.62	3.53
62	3.80	3.77	3.71	3.61
63	3.91	3.87	3.80	3.68
64	4.02	3.97	3.89	3.76
65	4.15	4.08	3.99	3.83
66	4.27	4.20	4.09	3.91
67	4.41	4.33	4.20	3.99
68	4.56	4.46	4.31	4.07
69	4.72	4.60	4.42	4.14
70	4.89	4.75	4.54	4.21

Annuity purchase rates for any age(s) not shown, determined on the same basis, will be furnished by us upon request.

JOINT AND SURVIVOR ANNUITY TABLE

DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS  
PURCHASED WITH EACH \$1,000 APPLIED

Contingent Annuitant <u>Age*</u>	100% <u>Joint &amp; Survivor</u>	66 2/3% <u>Joint &amp; Survivor</u>	50% <u>Joint &amp; Survivor</u>
55	\$2.91	\$3.21	\$3.39
56	2.97	3.28	3.47
57	3.03	3.36	3.55
58	3.09	3.44	3.64
59	3.16	3.52	3.73
60	3.23	3.61	3.83
61	3.31	3.70	3.94
62	3.39	3.80	4.05
63	3.47	3.91	4.17
64	3.56	4.02	4.30
65	3.66	4.14	4.44
66	3.76	4.27	4.58
67	3.86	4.40	4.74
68	3.98	4.55	4.90
69	4.10	4.70	5.08
70	4.23	4.87	5.27

\*The contingent annuitant's age is assumed to be the same as the Annuitant's age.

Annuity purchase rates for any age(s) not shown, determined on the same basis, will be furnished by us upon request.

Annuity purchase rates for any agreed upon annuity form not shown in this Article 6 will be determined on the same basis and furnished by us upon request.