Lincoln Financial®

You're Deferring Taxes. Now What?

Focus on tax-smart retirement income with *i4LIFE*® Advantage available with a Lincoln annuity



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

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

For use with the general public.

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The power of dependable income

A solid retirement plan and income strategy can ensure that when you stop working, you have reliable income to help cover expenses for the things most important to you. A lifetime income stream can help give you the comfort and power of knowing you're able to help maintain your lifestyle.

With a Lincoln annuity, you'll have a known source of income, paid every month starting at your target age and continuing as long as you live. Having a reliable source of income as a portion of your overall plan can help you overcome unexpected challenges that many retirees face.

Living longer than ever

One member of a 65-year-old couple today has a 47% chance of living to age 90.[1]

The great tax divide

The top 1% of taxpayers pay 40.4% of all taxes, more than the bottom 90% combined (28%).[2]

Will inflation erode your nest egg

At 3.2%, the overall inflation rate is well below the 40-year highs reached in the summer of 2022, yet it remains above the Federal Reserve's target.[3]

Rising healthcare costs

A healthy 58-year-old woman has a 60% chance of requiring long-term care services; the estimated annual cost 30 years from now will be over $500,000.[4]

Facing a changing investment landscape

4 in 5 consumers are still worried about an economic recession and that inflation will remain high for the next 12 months.[5]

[1] Social Security Administration, "Period Life Table," 2022 (published in 2025), J.P. Morgan Asset Management.

[2] The Tax Foundation, "Summary of the Latest Federal Income Tax Data, 2025 Update," https://taxfoundation.org/data/all/federal/latest-federal-income-tax-data-2025/

[3] Morningstar, "Sticky Inflation Is Back. Here's How to Protect Your Portfolio," March 14, 2024. https://www.morningstar.com/markets/sticky-inflation-is-back-heres-how-protect-your-portfolio

[4] IRI Retirement Fact Book, 2025.

[5] Greenwald Research, "2023 Retiree Insights," 2024. https://greenwaldresearch.com/wp-content/uploads/2023/10/2023-Workplace-Wellness-Survey-Short-Report.pdf



Annuities are long-term investment products that offer tax-deferred growth, access to a lifetime income stream, and death benefit protection. Variable and registered index-linked annuities may be subject to market fluctuation, investment risk, possible loss of principal and there may be costs associated. Optional features may be built-in or if selected, are available for an additional charge.

Taxes affect everyone

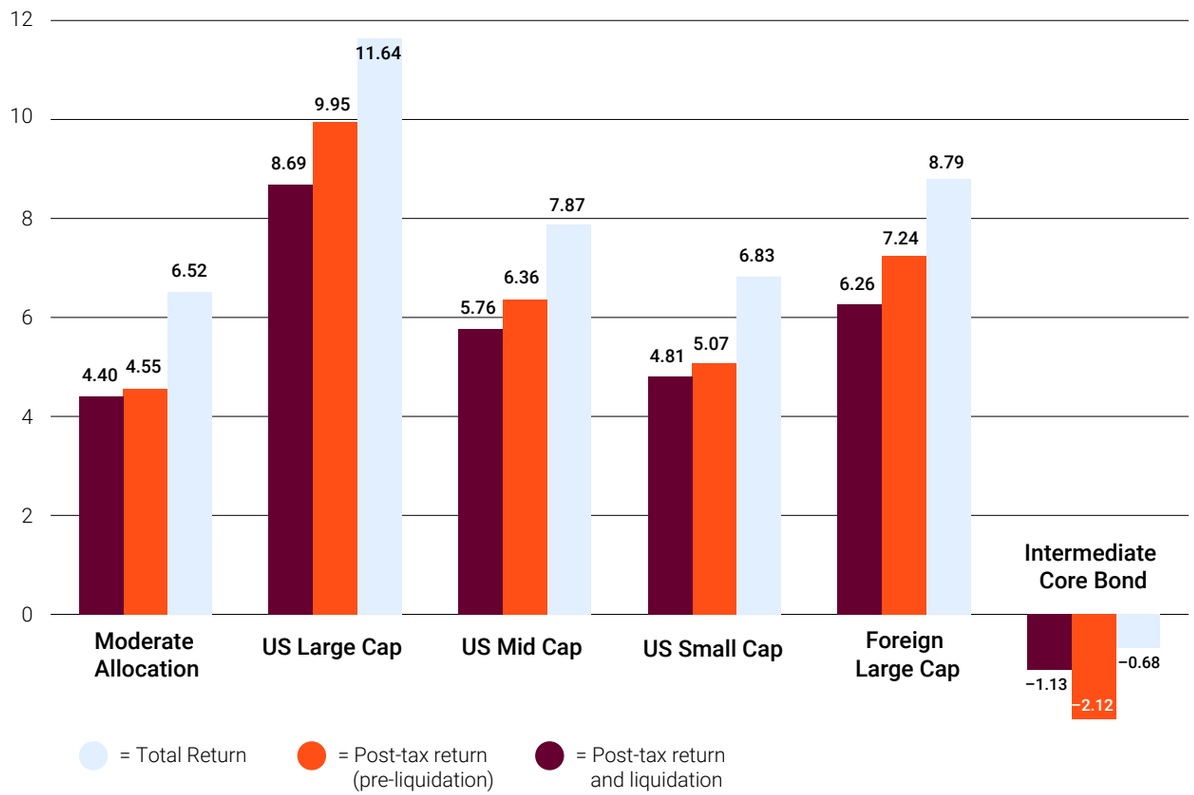
Be aware. Be proactive. Be diversified.

Taxes affect everyone. They don't retire when you do — and as your life changes, you could have increased tax exposure. That's why tax planning is an integral part of retirement income planning.

Over time, income withheld for taxes can reduce returns and significantly impact your long-term investment strategy. One of the ways you can help prepare and protect against taxes is through tax-deferred investments and tax-efficient distributions.

Tax impact by asset class

Annualized 5-year returns (percentage) ending September 30, 2026.



Source: Morningstar®

Based on market prices. A tax-adjusted total return that is based on a few assumptions:

1. Post-tax return is shown either before liquidation (if the investor does not sell at the end) or after liquidation (if the investor does sell at the end).
2. Distributions are taxed at the highest federal tax rate prevailing (37%) and then reinvested.
3. State and local taxes are excluded.
4. Only the capital gains are adjusted for tax-exempt funds because the income from these funds is nontaxable.

Asset classes represented by Morningstar category definitions. Category definitions sort funds into peer groups based on characteristics as defined and maintained by Morningstar and organized into broader category groups.

Get the most out of tax deferral

All annuities offer tax deferral. But only Lincoln annuities offer *i4LIFE*® Advantage, a tax-advantaged distribution method that has been helping clients minimize the impact of taxes on their income since 2001.

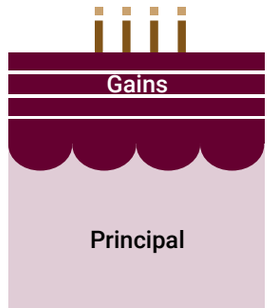
When you're ready to transition from saving for retirement to taking retirement income payments, *i4LIFE* is an optional living benefit available through Lincoln annuities for an additional annual charge.

i4LIFE **can help you take control of your retirement income with:**

- More after-tax income when investing nonqualified money
- Opportunity for increasing income payments every year
- Continued access to your account value with control of your allocation during the Access Period
- Protection for beneficiaries with the ability to pass the tax efficiency on to your loved ones

A tax-efficient way to have your cake and eat it, too

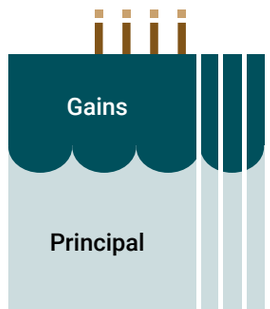
The way you decide to take your income in retirement can affect the way you are taxed, especially if your money has had the chance to grow. This example shows how a retirement income payment might be taxed, depending on the option you choose.



Systematic withdrawals

If there are gains in the contract, systematic withdrawals start with fully taxable gains being paid out first, resulting in less current income for you.

For systematic withdrawals, if there are no gains, all withdrawals are considered principal and are not taxed.



i4LIFE **payments**

If there are gains in the contract, *i4LIFE* includes a portion of the nontaxable principal along with the gains in each payment — saving you money in taxes.

For *i4LIFE*, if the contract experiences no gains, a portion of your payment is still treated as a taxable gain and a portion is treated as principal. Once the entire principal has been paid out, each payment is fully taxable.

i4LIFE® Advantage is an optional feature available for an additional annual charge (0.40% single and joint life). See Fact Sheet for complete details.

Systematic withdrawals vs. *i4LIFE*® Advantage

When it's time to convert retirement savings into a reliable stream of income, your tax strategy can be as important as your income strategy.



Case study

A 60-year-old male invested $250,000 of after-tax money in an annuity with no living benefits. Over 10 years, his annuity grew to $500,000. He is now age 70 and is ready to draw income from his retirement savings. What is his best option?

The table to the right compares the taxable income of the initial *i4LIFE* payment against the taxable income of a typical systematic withdrawal. Four tax brackets are shown for comparative purposes. The initial *i4LIFE* payment is based on several variables including age and purchase amount or account value. Future *i4LIFE* payments will vary based on performance of your account.

Systematic withdrawals	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Tax rate	24%	32%	35%	37%
Systematic withdrawal percentage	4%	4%	4%	4%
Systematic withdrawal amount	$20,000	$20,000	$20,000	$20,000
Total taxes paid	**$4,800**	**$6,400**	**$7,000**	**$7,400**
After-tax withdrawals	**$15,200**	**$13,600**	**$13,000**	**$12,600**

i4LIFE Advantage	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Tax rate	24%	32%	35%	37%
i4LIFE income percentage	6.06%	6.06%	6.06%	6.06%
i4LIFE income amount	$26,457	$26,457	$26,457	$26,457
Nontaxable amount[1]	$10,909	$10,909	$10,909	$10,909
Taxable amount	$15,548	$15,548	$15,548	$15,548
Total taxes paid	**$3,732**	**$4,975**	**$5,442**	**$5,753**
***i4LIFE* after-tax payment**	**$25,726**	**$24,202**	**$23,631**	**$23,250**

[1] A nontaxable percentage of 59% is an excludable amount determined by the IRS.

This table is for illustrative purposes only.

The data shown assumes a 20-year Access Period, a 3% AIR, and annual payments for *i4LIFE*®. The *i4LIFE*® income percentage may vary by state.

Percentage increase with *i4LIFE*

Scenario 1	Scenario 2	Scenario 3	Scenario 4
69%	78%	82%	85%

Income and legacy planning strategies

With the unique strategies made possible through *i4LIFE*® Advantage, you can build and help protect your wealth for generations. Since *i4LIFE* meets the definition of annuitization under Internal Revenue Code Section 72(c)(4) when elected within a year of purchase, it offers potential solutions for a number of challenging planning situations.

All annuities are not created equal

A Lincoln annuity with *i4LIFE*® Advantage provides the potential to maximize income and access legacy planning options that aren't available with a typical annuity.[1] See how it works:

Typical annuity with a withdrawal benefit

GROWTH

Tax deferral

You won't have to pay taxes on any money you're not using.

INCOME

LIFO and ordinary income

With certain exceptions, systematic distributions from deferred annuities have been taxed last in, first out (LIFO), which puts an up-front tax burden on your income.

LEGACY

No step-up in basis

Annuities do not receive a step-up at death, which means beneficiaries are on the hook for all taxes on the growth.

Lincoln annuities with *i4LIFE*

GROWTH

Tax deferral

You won't have to pay taxes on any money you're not using.

INCOME

Tax-exclusion ratio

i4LIFE continues to offer tax advantages through an exclusion amount on nonqualified money, so you get back a portion of principal with each income payment — helping to ease the tax impact and letting you control your assets.

LEGACY

FIFO and stretch the gains

i4LIFE also allows some beneficiaries to access any remaining money in a tax-advantaged way.

[1] Regular payments must start within a year of the contract inception.

Lincoln Financial®

Your tomorrow.
Our priority.®

Talk with your financial professional today.

Tax planning is one component in helping to protect your wealth. Ask your financial professional how you can prepare for rising healthcare expenses, market risk, longevity and inflation. Help protect your growing assets, your retirement income and your legacy.

Important information:

Lincoln Financial® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Please consult an independent professional as to any tax, accounting, or legal statements made herein.

Annuities may be fixed, variable, or indexed and are long-term investment products designed for retirement purposes. Variable or indexed annuities may be subject to market fluctuation, investment risk, and possible loss of principal. Optional features may be built-in or if selected, are available for an additional charge. A fixed indexed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments, or index. Registered index-linked annuity products are complex insurance and investment vehicles.

For registered index-linked annuities, material is authorized for use only when preceded or accompanied by prospectus, which describes investment objectives, risk factors, fees and charges that may apply as well as other important information.

Variable products are sold by prospectuses, which contain the investment objectives, risks, and charges and expenses of the variable product and its underlying investment options. The applicable prospectuses contain this and other important information.

Please call 888-868-2583 for free prospectuses. Read carefully before you invest or send money.

Annuities may include surrender charges, administrative fees and other costs that can reduce returns. Earnings grow tax-deferred, but withdrawals are subject to ordinary income tax and may incur a 10% penalty if taken before age 59½.

i4LIFE® Advantage is available with Lincoln annuities contract forms 30070-A 8/03, 30070-A-ID 8/03, 30070-B, 30070-BID, ICC23-60020 and 23-60020, ICC23-60021 and 23-60021, ICC23-60022 and 23-60022, ICC1515-619, 25-50096, 25-50097, ICC25-50096, ICC25-50097 and state variations. Lincoln annuities 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.

In New York, *i4LIFE*® Advantage is available with Lincoln annuities contract forms contract forms 24-70030 through 24-70035. Contracts sold in New York 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 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.

Products and features are subject to state availability.

For use with the general public.

for JPMC internal use only

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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