

# Minimizing RMD income

## Using a *Lincoln Deferred Income Solutions*<sup>SM</sup> Annuity

### Focusing on income deferral

Have you started RMD planning? If not, look to Lincoln for the expertise to help build an effective strategy. If you're interested in minimizing your RMDs from traditional IRA accounts, using a *Lincoln Deferred Income Solutions* (DIS) Annuity as a qualifying longevity annuity contract (QLAC) can help you accomplish your goal.<sup>1</sup> See how it works.



Andre is a 73-year-old male who does not need the RMD income from his \$650,000 traditional IRA. By using \$200,000 of his qualified money to fund a Lincoln DIS annuity contract, he is able to defer a portion of his RMDs until age 85. The table below illustrates Andre putting \$200,000 of his \$650,000 traditional IRA into the DIS annuity, which will allow him to defer over \$88,000 of RMDs over 12 years.

Traditional IRA		Defer RMDs	
RMDs from \$650,000 over 12 years	<b>\$286,646</b>	Lincoln DIS Annuity qualifying longevity contract	<b>\$200,000</b>
<p>This table is for illustrative purposes only. RMD calculations may be different under special circumstances. The IRA does not assume a growth rate. A Lincoln QLAC uses the life with cash refund annuity payout option.</p>		Traditional IRA	
		RMDs from \$450,000 over 12 years	<b>\$198,447</b>

### Why defer RMDs with a Lincoln DIS Annuity?

- Andre was able to reduce his RMD income by just over \$88,000.
- Deferring RMDs allows Andre to defer paying \$21,068 in taxes.<sup>2</sup>
- If Andre passed away while deferring income, his beneficiary would receive his \$200,000 premium.

<sup>1</sup> Qualifying Longevity Annuity Contract (QLAC), as defined under Q&A-17 of Section 1.401(a)(9)-6 of the Income Tax Regulation. Limits apply to initial and subsequent premiums at the time of a contribution to the QLAC, and the IRA account balances are determined based on the balances of all IRA accounts on December 31 of the year prior to the year of the contribution.

<sup>2</sup> The tax rate used is 24%.

Insurance products issued by:  
The Lincoln National Life Insurance Company



Contact your financial professional to see how a *Lincoln Deferred Income Solutions*<sup>SM</sup> Annuity may be part of an effective RMD strategy.

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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Income taxes are due upon withdrawal and if withdrawn before age 59½, an additional 10% federal tax may apply.

There is no additional tax benefit for contracts purchased in an IRA or other tax-qualified plan, since these are already afforded tax-deferred status.

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