

Income America 5ForLife

FREQUENTLY ASKED QUESTIONS

1. What is Income America 5ForLife?

Income America 5ForLife is a series of target date portfolios that provide guaranteed lifetime income. The market may go up and down, but with Income America 5ForLife, a lifetime income guarantee of 5% per year of your income base, beginning at age 65, is built into the portfolios—offering protection against market uncertainty during retirement.

2. What is a target date portfolio?

- Each target date portfolio is a carefully selected mix of investment options that include equities, bonds, and stable value investments, and the mixture of those investment options is commonly referred to as asset allocation.
- The asset allocation of a target-date portfolio is typically designed to gradually shift to a more conservative profile as the portfolio gets closer to the target retirement date to minimize risk.
- You simply pick the target date portfolio that most closely matches your estimated retirement date.
- Income America 5ForLife is unique in that the portfolio also provides protection against market uncertainty because each contribution increases your income base (explained in next question).

3. What is an income base?

- The income base, which is used to determine your guaranteed lifetime income, will be the amount you've contributed to the Income America 5ForLife portfolio or your account's market value in the Income America 5ForLife portfolios when you reach age 65, whichever is greater.

4. What happens when I turn age 65?

- If you are invested in the Income America 5ForLife target date fund prior to turning age 65, when you turn age 65, your income base will be locked into the higher of the amount you've contributed or your Income America 5ForLife account value.
- Additionally, your Income America 5ForLife balance will be transferred to the Income America 5ForLife In Retirement fund.
- If you are already working past age 65 and begin to contribute to the Income America 5ForLife fund, your income base will be set once you move funds into the Income America 5ForLife In Retirement fund.

5. Is the 5% my rate of return?

- No. The 5% is the guaranteed annual income percentage of the income base that you will receive once you elect to start receiving income and is based only on your life.
- How it works: to determine your guaranteed lifetime annual income, simply multiply your income base by the guaranteed annual income percentage. So, if you are age 65 and taking payments for your life only, then you would multiply your income base by 5%. This will be the annual lifetime income you will receive for the remainder of your life.

6. How do I pick the right fund?

- You simply pick the Income America 5ForLife target date portfolio that most closely matches your estimated retirement date.

7. Will I still benefit if the market grows after my income locks in?

- Yes. The account balance in your Income America 5ForLife portfolio continues to be invested and will grow/decline according to the performance of the portfolio. However, if the account balance declines due to market performance, your income base will not decline.

8. What is the youngest age that I could start getting monthly payments from Income America 5ForLife?

- The Income America 5ForLife portfolio is designed to begin payments at age 65. However, payments can begin any time after age 65.

9. Can I include my spouse on an Income America 5ForLife plan?

- Yes.

10. Will including my spouse change the payout rate from Income America?

- Yes. If you are married and want the lifetime income payments to last for the length of your or your spouse's life, then the percentage will be slightly different than if the payments were for your life only. For example, if you are age 65 and your spouse is at least age 55, then your guaranteed annual income percentage will be 3.5%. If you are age 65 and your spouse is at least age 60, then your guaranteed annual income percentage will be 4.0%. Lastly, if you are age 65 and your spouse is at least age 65, then your guaranteed annual income percentage will be 4.5%.

11. If I elect to cover my spouse and me under an Income America 5ForLife plan, do we both need to be 55 before we start receiving Income America 5ForLife payments?

- If a married couple would like to receive payments to last for both of their lives, then the plan participant must be at least age 65 and the spouse must be at least age 55 to begin lifetime income payments.

12. What happens with my Income America 5ForLife payments if I pass away before my spouse?

- If you elected to take payments to cover both you and your spouse, once you pass away, the lifetime income payments would continue uninterrupted to your spouse. Once your spouse dies, since this guarantee does not require you to forfeit your market value, any remaining Income America 5ForLife account value will be paid out to the designated beneficiary.

13. Can I make withdrawals from an Income America 5ForLife before or after I start lifetime income payments?

- Yes. You retain full control of your account balance and can withdraw your balance at any time you have an allowable reason to take money out of the plan. While still employed, you can also transfer out of the Income America 5ForLife fund at any time. No surrender charges will apply.
- However, if you have elected to start lifetime income payments and if you want to remove additional money from the account, you can take a withdrawal anytime there's a distributable event. This additional withdrawal is considered an excess withdrawal. Also, if the person has not elected to start taking guaranteed annual income, any withdrawals are excess withdrawals. Consider the following example:

- Sue's account value is \$150,000.
- Sue's income base is \$200,000.

If Sue takes a \$50,000 hardship withdrawal before starting her guaranteed annual income (GAI), her income base will decrease by the same percentage (33.33%) because the income base is reduced pro rata as opposed to dollar-for-dollar for excess withdrawals. Her new account value is \$100,000, and her new income base is \$133,333.

When an excess withdrawal occurs, the GAI amount is recalculated to equal the applicable GAI percentage multiplied by the new income base (after it's reduced by the pro rata reduction for the excess withdrawal).

In a declining market, excess withdrawals may significantly reduce the income base, and the GAI amount. If the income base is reduced to zero due to an excess withdrawal, the guaranteed annual income payments will terminate.

14. Will I be taxed if I withdraw money from my account?

- The taxation of your withdrawals from the plan (pre-tax or Roth) will be the same regardless of whether or not you invest in Income America 5ForLife.

15. Can I transfer or contribute Roth amounts to an Income America 5ForLife fund?

- Yes, however transferring from a specific money source such as Roth when there are multiple sources is not a transaction that is available on the website. A specific request of that nature can be made through the **Lincoln Customer Contact Center at 800-234-3500**.

16. Can I contribute to my account after age 65 or after receiving guaranteed payments?

- Yes. Additional contributions into an Income America 5ForLife portfolio will increase the income base.

17. How do I begin collecting my guaranteed monthly payments?

- Simply complete the appropriate withdrawal form. If married, you'll need to decide if you want to receive the guaranteed income payments for the length of your life only (single-life) or the length of your or your spouse's life (joint-life). In addition, you can select the frequency of your payments, e.g., monthly, quarterly or annual.

18. What happens to my income base if a loan is taken from the Income America 5ForLife portfolio and what happens when I pay it back later?

- A loan is treated as an excess withdrawal and reduces the income base in proportion to the amount the loan reduces the account value in the Income America 5ForLife portfolio.
- Any loan repayment that is deposited into Income America 5ForLife portfolios will increase the income base.

19. How much is the fee to administer my Income America 5ForLife account?

- The total fee to invest in the Income America 5ForLife investment is approximately .87%. A portion of this fee is the standard investment advisory fee, and another portion relates to the income guarantee.

20. How often will I get statements on my Income America 5ForLife account?

- You can view your statement at any time on the participant [website](#), LincolnFinancial.com. Additionally, you will receive a quarterly statement that provides the information on the Income America 5ForLife investment including the income base and account value.

21. Can I view my Income America 5ForLife account information online?

- Yes. Your Income America 5ForLife portfolio information can be found on the participant website alongside your other investments within the Plan.

22. How can I learn more about the Income America 5ForLife program?

- Information about the Income America 5ForLife investment options will be available on the participant [website](#), LincolnFinancial.com. Additionally, you can meet with a retirement consultant, or Ayco, to discuss your questions as they relate to planning for retirement.

23. Can I rollover funds from an external account into Income America?

- Yes. You can rollover amounts into the Income America 5ForLife portfolios.

24. What happens if my employment ends and I am invested in Income America 5ForLife?

- If your account balance is greater than \$5,000, your Income America 5ForLife portfolio will continue to be invested in the portfolio that you selected until age 65 when your account's market value in the Income America 5ForLife portfolios will be transferred to the Income America 5ForLife In Retirement Fund.
- If your plan account balance is less than \$5,000 you will have the option to roll your account balance to the *Lincoln PathBuilder Income*® IRA, roll to another IRA or qualified retirement plan or take your account in cash. The *Lincoln PathBuilder Income*® IRA will retain your America 5ForLife benefits.