

Lincoln SmartIncomeSM Inflation Annuity

Facts-At-A-Glance

Issue ages and available markets	<p>Nonqualified: 50–85 single or joint annuitants Qualified: 50–85 for single annuitants 50–75 for joint annuitants</p> <p>For joint annuitants, both annuitants must fall within the age limits.</p>
Minimum single premium	\$50,000 Nonqualified/Qualified
Maximum premium (without prior Home Office approval)	<p>Ages 50–65: \$2,000,000 Ages over 65: \$500,000</p> <p>The maximum premium limit is per contractowner, including previous contracts involving the same individual. Higher premium amounts will be considered with the appropriate questionnaire.</p>
Regular payments/ Scheduled payments	<p>Prior to the contract issue date, the contractowner must elect a payment start date and a payment frequency. The payment start date must be no earlier than 30 days after the contract date and no later than the first contract anniversary. Payment frequencies include monthly, quarterly, semiannually, and annually. Once payments begin, they cannot be stopped and the frequency cannot change. Payments can be received by check or direct deposit.</p>
Inflation adjusted income	<p>Scheduled payments due on or after each January 1st will be adjusted to reflect the percentage change in the Consumer Price Index-Urban (CPI) from the previous period. The first adjustment represents a partial year and is calculated as follows:</p> $\left[\frac{\text{CPI published in December of calendar year contract was issued}}{\text{CPI published for calendar month in which contract was issued}} \right] - 1 = \text{The first CPI adjustment percent}$ <p>Thereafter, each adjustment will reflect the change in the CPI over the previous 12-month period from December to December. Adjustments can be positive or negative. The payment is guaranteed to never fall below the applicable guaranteed minimum scheduled payment. Decreases in the CPI value that are not applied to the scheduled payment, due to the guaranteed minimum payment, will offset future increases in the CPI value. In the year that cumulative increases in the CPI value exceed cumulative decreases, the scheduled payment will be increased by the extent that cumulative increases in the CPI value exceed the cumulative decreases.</p>
Guaranteed minimum scheduled payment	<p>The amount of the initial scheduled payment will be your guaranteed minimum check amount, and your payment can never be less than that amount, as long as you do not take any unscheduled payments, as discussed on the following page.</p> <p>Note: unscheduled payments will reduce the guaranteed minimum scheduled payment in proportion to the amount of the Reserve Value taken (including unscheduled payment charges and taxes).</p>
Reserve Value	<p>Reserve Value is equal to premium less any deductions for taxes and for any scheduled and unscheduled payments and related charges adjusted each January 1 for changes in the CPI. Once the Reserve Value is exhausted, there is no death benefit, and no future unscheduled payments will be allowed. Regularly scheduled payments continue throughout the life of the annuitant unless the Reserve Value is reduced to zero as a result of unscheduled payments and unscheduled payment charges.</p>
Emergency withdrawals/ Unscheduled payments	<p>You can take emergency withdrawals as unscheduled payments from your contract. Emergency withdrawals of up to 10% of the Reserve Value can be taken as an unscheduled payment each contract year without contract imposed charges, as long as the Reserve Value is greater than \$0. Unscheduled payments will reduce subsequent scheduled payments and the guaranteed minimum scheduled payment in proportion to the amount of reduction of the Reserve Value. Amounts withdrawn in excess of 10% of the Reserve Value are subject to unscheduled payment charges and may reduce the Reserve Value by more than the actual withdrawal amount. For this reason, unscheduled payments should be carefully considered and only taken in an emergency situation.</p>

Unscheduled payment charge	Applies to unscheduled payments taken within the first seven contract years Contract year: 1 2 3 4 5 6 7 8+ Unscheduled payment charge 7% 7% 7% 6% 5% 4% 3% 0%
Death benefit	Upon the death of the annuitant, beneficiaries can receive the greater of the: <ul style="list-style-type: none"> • Reserve Value; or • Single premium paid, less all scheduled and unscheduled payments (including unscheduled payment charges), and less any deduction for taxes. <p>Note: For joint annuitants, the death benefit is payable upon the death of both annuitants.</p>
Waiver of unscheduled payment charge riders	After the first contract year, the unscheduled payment charge is waived if the owner, joint owner, annuitant, or joint annuitant is: <ul style="list-style-type: none"> • First diagnosed with a terminal illness after the contract issue date. • Confined to a nursing home or special nursing unit of a hospital for at least 30 consecutive days, provided such confinement begins after the first contract anniversary. The unscheduled payment must be requested no more than 90 days following the date confinement ceases. <p>The <i>Lincoln SmartIncome</i> Inflation Annuity Nursing Home and Terminal Illness Waiver Benefit Guide contains necessary requirements and additional details for exercising the Nursing Home and Terminal Illness Benefit. The nursing home benefit is not available for contracts issued in the state of Massachusetts.</p>
Taxes	We reserve the right to deduct any federal, state, and local income tax, estate, inheritance, premium, and any other taxes required by law from any amount paid from this contract.
Free look	If a request for contract cancellation is received within 20 days after the contract is issued, the contractowner will receive premium paid, less any scheduled or unscheduled payments already received. You may not purchase another Lincoln fixed annuity for six months following contract cancellation.
Terminating the contract	The owner may terminate the contract if the Reserve Value is greater than zero. The contractowner will receive the Reserve Value, less any unscheduled payment charges and any deductions for taxes.

Important disclosures. Please read.

*Lincoln SmartIncome*SM Inflation Annuity single premium immediate annuity (contract form 07-611, or state variation) is issued by The Lincoln National Life Insurance Company. **The Lincoln National Life Insurance Company is not authorized nor does it solicit business in the state of New York.** Contract may be referred to as "certificate" in certain states (certificate may not be available in all states). The certificate is a group annuity certificate issued under a group annuity contract issued by The Lincoln National Life Insurance Company to a group annuity trust. **Guarantees and contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

*Lincoln SmartIncome*SM Inflation Annuity contracts sold in New York (contract form 07-611NY) are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. **Guarantees and contractual obligations are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.**

Product and features are subject to state availability. Limitations and exclusions may apply.

The exact terms of the annuity are contained in the contracts and any attached riders, which will control the issuing company's contractual obligations. For complete information about the annuity, please also read the Disclosure Statement, Client Brochure, or contact your issuing company representative.

Unscheduled payments prior to age 59½ may be subject to a 10% federal penalty tax.

There is no additional tax deferral benefit for annuity contracts purchased in an IRA or other tax-qualified plan, since these are already afforded tax-deferred status. Therefore, an annuity should only be purchased in an IRA or qualified plan if the client values some of the other features of the annuity.

Waiver of Unscheduled Charges for Nursing Home Confinement Rider and Waiver of Unscheduled Charges for Terminal Illness Rider (form AE-219 and form AE-218, respectively, or state variation) may not be available in all states. Nursing Home Rider not available for contracts issued in Massachusetts.

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