



You're In Charge®

WealthProtection Expertise<sup>SM</sup>

# Beyond retirement plan limits

Supplementing retirement with tax-advantaged life insurance

LIFE SOLUTIONS

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

The Lincoln National Life Insurance Company  
Lincoln Life & Annuity Company of New York

914680

**The purpose of this communication is the solicitation of life insurance. A licensed insurance agent/producer will contact you.**

# Using tax-advantaged life insurance to supplement retirement income

Life insurance, as you may know, provides valuable death benefit protection. If you're looking at taxable investments, such as stocks, bonds and mutual funds to help secure your retirement years, it may also be time to talk to your advisor about the tax advantages and growth potential of cash value life insurance.

A properly designed life insurance policy can provide:

- Death benefit protection
- No contribution and income limits- unlike 401(k)s, traditional IRAs, or Roth IRAs<sup>1</sup>
- Tax-advantaged cash value growth potential
- Supplemental retirement income through tax-advantaged loans and/or withdrawals<sup>2</sup>
- Cash flow that will not increase your overall tax expense or cost of government programs like Social Security and Medicare<sup>3</sup>

## See how life insurance can fill the gaps in your retirement portfolio

Features	Life insurance	Taxable investments	401(k)/Traditional IRA	Roth IRA	Municipal bonds
Tax-deferred growth	✓		✓	✓	
Tax-advantaged distributions	✓			✓	✓
No contribution limits	✓	✓			✓
No additional tax for early withdrawals	✓	✓			✓
Will not increase tax expenses, Social Security taxation, or Medicare premiums	✓			✓	
Income tax-free death benefit*	✓				

\*Life insurance death benefit proceeds are typically excluded from income taxes. There may be exceptions, such as when a life insurance policy is transferred for valuable consideration.

Fees, expenses and associated costs should be considered.

<sup>1</sup>Face amount purchased subject to underwriting guidelines.

<sup>2</sup>Withdrawals and surrenders are tax-free up to your cost basis, provided your policy is not a modified endowment contract (MEC). Partial surrender charges may apply to withdrawals. Note that loans and withdrawals will reduce the policy's account value and death benefit, may affect guarantees, may cause the policy to lapse, and may have tax consequences. Activating the Overloan Protection Rider/Endorsement that is included with your policy will prevent your policy from lapsing and help avoid potential tax implications. Please contact your advisor for more information.

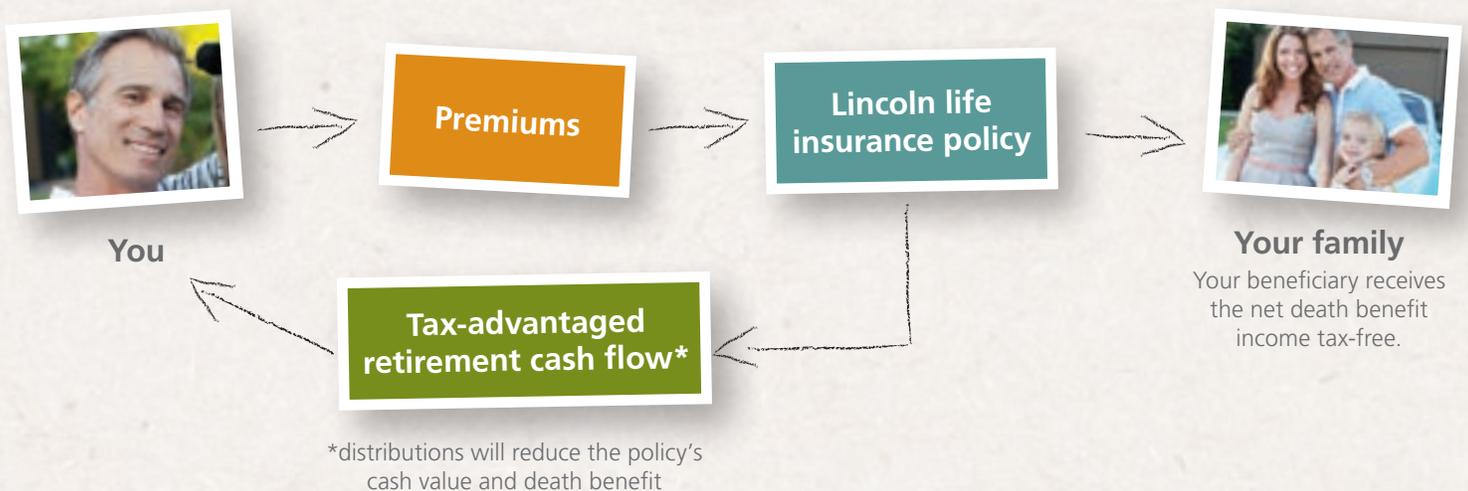


## How life insurance as a supplemental retirement strategy works

Life insurance, when properly structured, can provide you with income tax-free retirement distributions. You can access money from your policy in the form of loans and withdrawals.\* Withdrawals have the capability of being treated as a return of premium first, with policy gains being withdrawn in the form of tax-free loans. In addition, the death benefit is paid income tax-free to your designated beneficiary.<sup>3</sup>

### Supplement your retirement income

How it works



<sup>3</sup>This assumes that a life insurance policy is not classified as a modified endowment contract (MEC). This also assumes that the policy adheres to the income tax requirements of life insurance as defined by the Internal Revenue Code. Estate, gift, or generation-skipping transfer taxes have not been taken into account. Please consult a tax advisor regarding what may be applicable to your individual situation. A MEC policy is one in which the life insurance limits exceed certain high levels of premium, or your cumulative premium payments exceed certain amounts specified under the Internal Revenue Code. For policies that are MECs, distributions during the life of the insured, including loans, are first treated as taxable to the extent of income in the contract; and an additional 10% federal income tax may apply.

## Why clients are confident choosing a life insurance policy as a supplemental retirement asset

- ✓ A death benefit that passes income tax-free
- ✓ No taxes to pay on retirement distributions
- ✓ No limits on retirement contributions
- ✓ Flexibility and control through cash value growth potential

**Learn more about the tax advantages of the Lincoln life insurance product portfolio. Contact your Lincoln representative today!**

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

©2014 Lincoln National Corporation

[LincolnFinancial.com](http://LincolnFinancial.com)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN-914680-043014

ECG 12/14 Z08

Order code: LIF-TAX-BRC001



### Important disclosures:

This material was prepared to support the promotion and marketing of investment and insurance products. Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Please consult your own independent advisor as to any tax, accounting, or legal statements made herein.

Lincoln life insurance policies are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and are distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not do business in the state of New York, nor is it authorized to do so.**

Policies 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 guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company.** They are not

subject to the broker-dealer and/or insurance agency selling the policy, 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.

**Lincoln variable universal life insurance is sold by prospectus. Carefully consider the investment objectives, risks, and charges and expenses of the policy and its underlying investment options. This and other important information can be found in the prospectus for the variable universal life policy and the prospectus for the underlying investment options. Prospectuses are available upon request and should be read carefully before investing or sending money. For a current prospectus, please call 800-444-2363 or go to [www.LincolnFinancial.com](http://www.LincolnFinancial.com).**

Products referenced may include variable products. Please note that with variable products policy values will fluctuate and are subject to market risk and to possible loss of principal.

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