

A new solution for deferring RMDs

Effective February 23, 2015

Thanks to new IRS regulations, *Lincoln Deferred Income Solutions*SM (DIS) Annuity can help your clients defer taking required minimum distributions from a portion of their traditional IRAs. How is this possible? Lincoln DIS Annuity can be considered a Qualifying Longevity Annuity Contract (QLAC) according to section 1.401(a)(9)-6, Q&A-17 of the Income Tax Regulations. Review the table below to see how you can help clients efficiently plan for RMDs.

Design your client's deferral strategy using *Lincoln Deferred Income Solutions* as a Qualifying Longevity Annuity Contract

Premium requirements

Your clients may purchase Lincoln DIS Annuity with the lesser of \$125,000 or 25% of their aggregate IRA account balances. The sum of a client's IRA account balances, as of December 31st of the year prior to the client's QLAC contribution, determines the premium limit. Additional premiums are also subject to QLAC limits and can be made until 13 months prior to the income start date.

Issue ages

Clients aged 18–80 may purchase a QLAC.

Deferring distributions

- The first payment may be deferred from 13 months up to 40 years or to age 85.
- Clients must start income no later than the first day of the month following the month of their 85th birthday.
 - Example: A client born in October 1946 could defer taking income up until November 1, 2031.
 - Income taxes will be deferred until the first income payment.

Payment option

Clients must select the life with cash refund payment option, which provides income until the death of the annuitant and offers a full return of premium at death during deferral, and a return of premium less payments received after starting income. QLAC requirements do not allow clients to accelerate payments.

QLAC summary

Lincoln DIS Annuity is considered a Qualifying Longevity Annuity Contract (QLAC) when it meets the requirements under section 1.401(a)(9)-6, Q&A-17 of the Income Tax Regulations. Clients, who would have normally been subject to RMDs, can defer a portion of their traditional IRA money using a Lincoln QLAC. Premium limits apply at the time of contribution to the QLAC.

Things to remember

The QLAC check box must be completed on the application in order to use *Lincoln Deferred Income Solutions* Annuity to defer your client's required withdrawals. Clients need to submit a Premium Requirement Verification Statement (form AN10910) with each contribution. DTCC feeds will be available starting on March 19, 2015, and CANNEX illustrations will go live on April 1, 2015. Lincoln will accept QLAC contracts beginning on February 23, 2015.

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The Lincoln National Life Insurance Company

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LCN-1102925-012015

POD 1/15 **Z01**

Order code: FA-QLAC-FLI001



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A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses.

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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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