

Utilizing required minimum distributions effectively

Help create a larger legacy

Background

Upon reaching age 70½, the IRS requires you to take minimum withdrawals from tax-advantaged retirement accounts such as a 401k or IRA. This is called a required minimum distribution (RMD). Failure to withdraw your RMDs will result in the IRS imposing a 50% tax on the amount you should have taken.

If your income needs are more than sufficiently covered by other assets, what can you do with your RMDs to help your family or a charity? A Lincoln life insurance policy funded by the RMDs (after income taxes are paid) can create a much larger tax-advantaged legacy. The death benefit can pass to your loved ones estate tax-free if properly designed.

How it works

The RMD (net of income tax) funds a life insurance policy. The death benefit transfers to policy beneficiaries income tax-free.



Advantages

- Adhering to IRS RMD regulations avoids significant penalties.
- Repositioning RMDs can create an enhanced legacy.

Help turn your idle assets into an enhanced legacy. Talk with your representative today.

Lincoln Financial Group is committed to helping Americans plan for retirement, prepare for the unexpected, and protect their wealth from five key challenges: taxes, long-term health costs, longevity, inflation, and market risk.

Rely on Lincoln for the knowledge and experience to help you address these challenges. Lincoln Wealth Protection Expertise combines state-of-the-art products, seasoned wholesalers and specialists, and powerful visualization tools to assist you in protecting client wealth and planning financial outcomes.

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

©2016 Lincoln National Corporation

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-990037-081414

POD 4/16 Z07

Order code: LIF-RMD-FLI001



You're In Charge®

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives and/or insurance agents do not provide tax, accounting or legal advice. Please consult an 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 distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit 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 backed by 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.

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