



You're In Charge®

FIXED INDEXED ANNUITIES

Greater choices for your retirement savings

Lincoln OptiChoiceSM fixed indexed annuity



INCOME SOLUTIONS

Lincoln OptiChoiceSM

Client Guide

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		

Insurance products issued by:
The Lincoln National Life Insurance Company

Facing retirement challenges...

Throughout our lives, we set goals to get us to the next step. Taking that first step toward retirement is no different. Whether your retirement goals include traveling, owning a beach house, antiquing, or getting serious about golf, you'll need a plan that allows you to have the lifestyle you want.

Market risk

How can you avoid volatility and create the income you'll need for the years ahead? A market downturn could affect your portfolio's ability to generate sufficient income. Yet, market exposure can provide growth opportunities to help you increase your retirement savings. Does this mean you have to trade growth for safety?

Tax risk

What will your tax exposure be in retirement? You pay taxes on your earnings from some vehicles, such as savings accounts, bonds, CDs and mutual funds. Will taxes diminish the growth of your savings over the years?

Protecting and growing your savings

Plan to help protect what you've already accumulated from risk and grow the financial resources you'll need in retirement with a *Lincoln OptiChoice*SM fixed indexed annuity. It can strengthen your retirement income strategy by giving you these advantages:

1

Financial protection
from market losses

2

Tax-deferred growth to
increase your savings

3

Access to your money
if you need it for
unexpected expenses

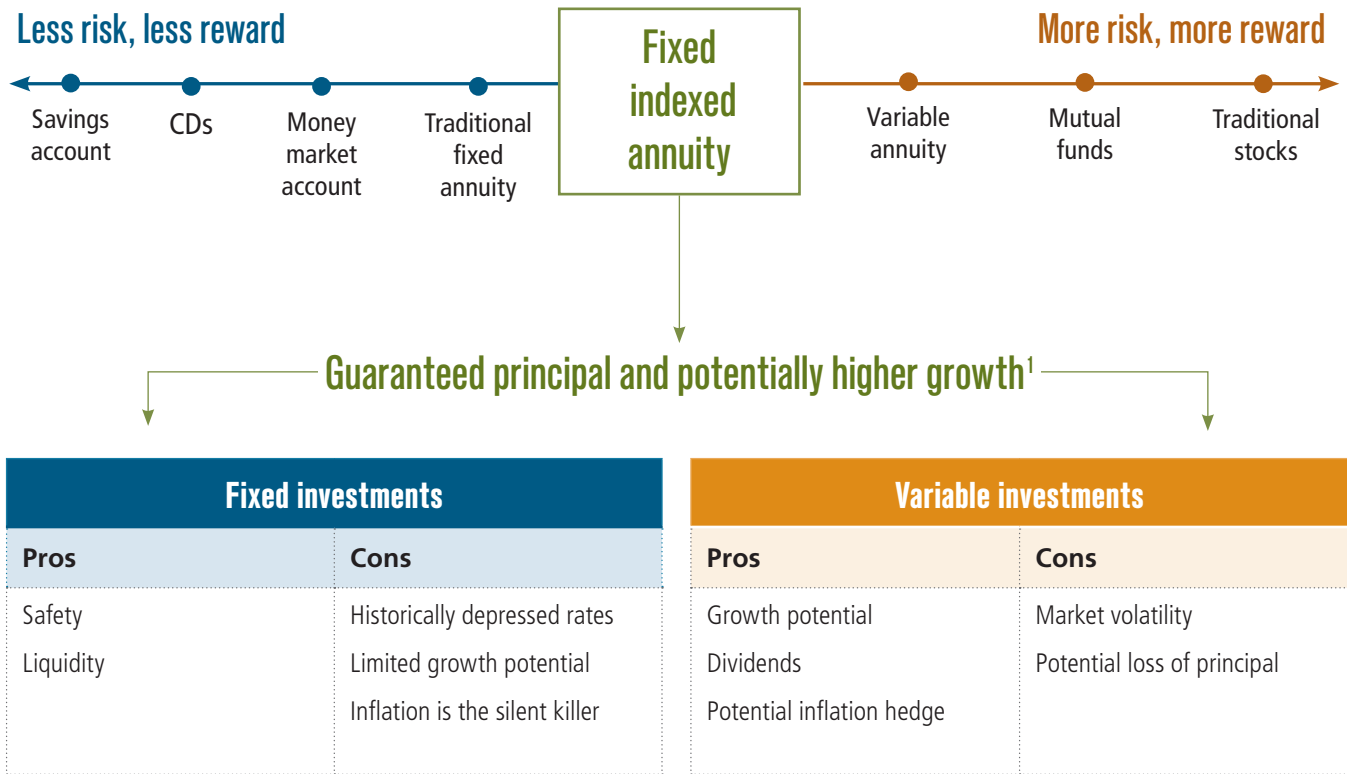
4

A death benefit
for your loved ones

...doesn't mean sacrificing growth potential

Balancing risk and reward

Most investors want the best opportunities for their nest egg, but it often becomes a balancing act between the security of banks and the growth potential of the markets. A fixed indexed annuity can provide some of the best features of both worlds. How does it compare with your other investments?



To help balance risk and reward, you should select a product that offers wealth preservation combined with opportunities for growth.

¹If you do not withdraw the premium payment(s) or any interest from the annuity, and if you have not purchased any riders, the value of your money cannot go down. The rider charge may bring the value down. Guarantees, including those for optional features, are subject to the claims-paying ability of The Lincoln National Life Insurance Company. Limitations and conditions apply.

Protection with growth potential

Lincoln OptiChoiceSM is a flexible premium fixed indexed annuity that protects your principal and credits your account with fixed interest and interest based on the performance of the S&P 500 Indices.

Accumulate interest across four account buckets

After purchasing a contract, your premium can be distributed among four different interest accounts. Think of these accounts as different buckets that hold a portion of your money. There is a Fixed Account bucket, and three indexed account buckets tied to the performance of the S&P 500 Indices.

As your needs change throughout the life of the contract, you also have the ability to reallocate money among the buckets at the end of each year.



Fixed Account

- Credits a fixed rate known in advance.
- Establishes an interest rate for each contract year, giving you predictable growth.
- Account value grows regardless of S&P 500 Index performance.

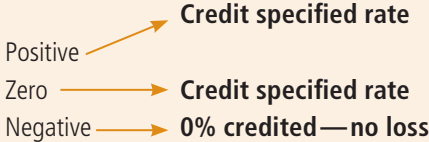
Fixed Account interest is credited and is compounded daily. A new fixed rate is declared annually and will never be less than 1%.*



Performance Triggered Indexed Account

- If, after a one-year term, the S&P 500 Index has a positive change or remains flat, your account is credited a specified rate.
- If it's negative, your account is credited 0% — no loss of principal, and gains from previous periods remain intact.
- Account value grows regardless of S&P 500 Index performance.

One-year S&P 500 Index percentage change



Indexed interest is credited at the end of the indexed term and is compounded annually. A new specified rate is declared for each one-year indexed term and will never be less than 1.25%.*

Guarantees are subject to the claims-paying ability of The Lincoln National Life Insurance Company.

*Interest rates, specified rates, and indexed interest caps are declared by The Lincoln National Life Insurance Company at its discretion. Subsequent interest rates, specified rates, and indexed interest caps may be higher or lower than the initial ones and may be different from those used for new contracts.

Applicable indexed interest is credited at the end of the indexed term. Amounts withdrawn (including amounts paid as a death benefit) before the end of an indexed term will not receive indexed interest for that indexed term.

Guaranteed growth

If you leave your money in a *Lincoln OptiChoice* contract until the end of the surrender charge period and you surrender your contract, you are guaranteed to walk away with more than the initial premium (given no withdrawals were made). This amount is known as the Guaranteed Minimum Cash Surrender Value (GMCSV).

The GMCSV is based on a guaranteed minimum rate of return. If a contract is surrendered during the surrender charge period, the surrender charge and a Market Value Adjustment (MVA) will apply and can result in the GMCSV being less than your premium. If surrendered after the surrender charge period, no surrender charge or MVA will apply.



1-Year Monthly Cap Indexed Account

- Credits sum of monthly percentage changes in the S&P 500 Index over the one-year indexed term. There is a cap on positive monthly changes, but no floor on negative monthly changes.
- If sum of monthly percentages is positive, full percentage is credited to your account.
- If it's negative or zero, account is credited 0%—no loss to the account and gains from previous periods remain intact.

Sum of 12 monthly capped percentage changes

or

- **Positive**
Credit full percentage
- **Zero or negative**
0% credited (no loss)

Indexed interest is credited at the end of the one-year indexed term and compounded every year. A new monthly indexed cap, which can never be less than 1%, is declared for each one-year indexed term.

The Power of Zero

The indexed account buckets are able to help bridge the gap between risk and reward by providing the Power of Zero.



The Power of Zero

When the index is negative during an indexed term, the lowest your account can be credited is 0%.



Growth potential

The potential for your account to receive credit increases with positive index performance.



Gains locked in

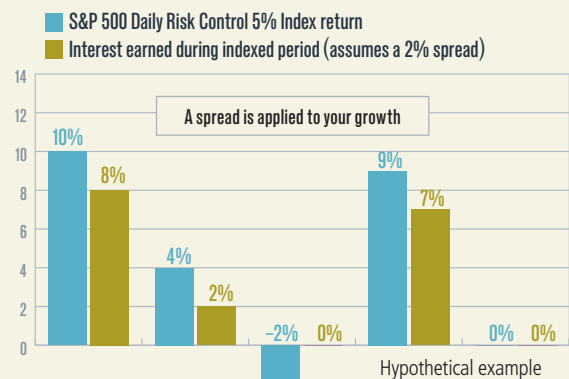
Since the indexed accounts never earn a negative interest rate, you never have to recover from losses before seeing additional positive growth if the S&P 500 Index rebounds.



1-Year Point-to-Point Indexed Account with Spread

S&P 500 Daily Risk Control 5% Index

- The value of the index at the end of the year is compared to its value at the beginning of the year.
- If the percentage change is positive, your account will earn the percentage change minus a spread.
- If the index is negative or flat, or the percentage change is less than the spread, your account earns 0%. You will not lose any money.



The S&P 500® and the S&P 500 Daily Risk Control 5%™ Index are price indices and do not reflect dividends paid on the underlying stocks. It is not possible to invest directly in an index. During the surrender charge period, Lincoln reserves the right not to offer any one of the indexed accounts, but will leave at least two indexed accounts available. After the surrender charge period, Lincoln reserves the right not to offer any of the indexed accounts.

The S&P 500 Index tracks the stock performance of 500 large U.S. companies.

The S&P 500 Daily Risk Control 5% Index seeks to limit the volatility of the S&P 500 to a target level by allocating to cash.

Protection in times of need

*Lincoln OptiChoice*SM fixed indexed annuities offer benefits to help get you through uncertain times if the need should arise.

Protection for loved ones

Before a contract is annuitized, there is a death benefit that allows you to pass any remaining assets to your beneficiaries.¹

Guarantees for your health

If you experience qualifying medical issues, there are also nursing home and terminal illness benefits built into the *Lincoln OptiChoice* fixed indexed annuity that allow access to your money without charge, after the first contract year.²

For more information and details on these features, please read the Disclosure Statement and Facts At-A-Glance.

How many ways can you take income?

Now that you’ve worked so hard to grow and protect what’s important to you, how are you going to enjoy it? There are multiple ways to take income from a *Lincoln OptiChoice* fixed indexed annuity.

Withdrawal option	How it works
Free withdrawal amount (10% free withdrawal amount)	10% of contract value is available each contract year during the surrender charge period—without charge.
Systematic withdrawals	Withdrawals can be taken annually, semiannually, quarterly or monthly, and must be taken from the Fixed Account.
Annuitization³	Receive tax-advantaged payments for a period of time or for life. Once income is started, it cannot be stopped.

Market Value Adjustment

If you take more than the 10% free withdrawal amount before the end of the surrender charge period, it may be subject to surrender charges and a Market Value Adjustment (MVA). The MVA is a positive or negative adjustment based on the current interest rate environment at the time of the surrender. The MVA does not apply to withdrawals after the surrender charge period, 10% free withdrawals, the death benefit, and annuitized contracts. See “Examples of Market Value Adjustment (MVA) and Surrender Charge Calculations” fact sheet for additional details.

¹For *i4LIFE*[®] Indexed Advantage elections, during the Access Period, the remaining assets may be passed to beneficiaries.

²For *Lincoln Lifetime Income*SM Edge 2.0 elections, there may be an additional nursing home enhancement within the benefit rider. The nursing home benefit is not available for contracts issued in the state of Massachusetts.

³Annuitization can occur after the second contract year, or after the first for Florida.

Guarantees a subject to the claims-paying ability of The Lincoln National Life Insurance Company. Withdrawals (including amounts paid as a death benefit) and any charges are deducted first from the Fixed Account. Money taken from the Fixed Account will reduce the actual amount of interest credited. After the Fixed

Account is exhausted, withdrawals (including amounts paid as a death benefit) and any charges are deducted pro rata from the indexed interest accounts. Money taken from an indexed interest account will not receive any indexed interest for that indexed term.

You have the right to cancel your *Lincoln OptiChoice* fixed indexed annuity contract within 20 days after you receive your contract (state variations apply). To cancel your contract, send a written request for cancellation to The Lincoln National Life Insurance Company Home Office. We will return your premium paid upon receipt of your written request. Canceling your contract voids it from the beginning. If you cancel your contract, you will not be permitted to purchase another Lincoln fixed annuity product for a period of six months.

Feel confident with the strength of Lincoln

When it comes to your financial future, know that you're in good company. Millions of Americans like you have turned to us to help them secure retirement income, prepare for the unexpected and protect their savings.

For over 100 years, we've proven the strength of our commitment as an American financial services company. Founded on the ideals of honesty, dependability and integrity, we've remained strong through the Great Depression and two world wars. At a time when thousands of financial institutions failed, we continued to make good on our commitments.

Lincoln has long been recognized for its disciplined financial and risk management. And this is one of the many reasons why you can rely on our solutions to help you achieve your retirement goals.

Americans have relied on Lincoln for more than a century

During the Great Depression, Lincoln reaches \$1 billion of insurance in-force.



Expanding into new markets, Lincoln introduces its first variable annuity and first retirement plan.

The Philadelphia Eagles' home stadium becomes Lincoln Financial Field.



Lincoln Life and Annuity Company of New York is started in Syracuse.



Lincoln celebrates 50 years since its variable annuity was first introduced to the marketplace (1967).



Abraham Lincoln's son grants permission to use his father's name and likeness for the formation of the Lincoln National Life Insurance Company.



Lincoln becomes the ninth largest U.S. life insurance company and the second largest reinsurer in the world.

Lincoln surpasses the milestone of \$100 billion of insurance in-force.

A new marketing name "Lincoln Financial Group" is introduced, beginning the corporation's rise as a nationally recognized financial services company.



Lincoln merges with Jefferson Pilot Financial to become one of the country's largest public life insurance companies.

With a proven history of strength and innovation, Lincoln is the industry leader committed to delivering strategies and products for the creation, protection and enjoyment of wealth.

Optional living benefit riders

i4LIFE® Indexed Advantage for income now

Having a tax-efficient retirement solution isn't just about growth; it's about income, too. And if you're concerned about taxes in retirement, you're not alone. 50% of Americans said that taxes and their impact on savings are a top concern.¹ The good news is that you can get access to a known source of lifetime income that helps you manage taxes and your retirement.

Get predictable, tax-efficient income

i4LIFE Indexed Advantage, an optional income feature, produces a known source of lifetime income.



Tax efficiency

A portion of every *i4LIFE* payment is tax-free until the total amount of premium is returned. This can help manage the impact of taxes on nonqualified money in retirement.



Protected income for life

i4LIFE payments will never be less than the guaranteed amount and will continue for the rest of your life, beginning within 12 months of purchase.²



Control and access

With *i4LIFE*, you have continued access to your account value and the ability to reallocate across the accounts within the annuity.



Protection for beneficiaries

An annuity can also help ensure that assets will be passed on to loved ones after you are gone through a legacy planning death benefit.

i4LIFE® Indexed Advantage (form AR-336 for nonqualified and AR-335 for qualified or state variations) is available for an additional charge of 0.95% (2.00% maximum). Tax-efficient income when funded with nonqualified money. *i4LIFE*® Indexed Advantage is available with no minimum issue age for nonqualified, minimum issue age of 59½ for qualified. The minimum premium required to purchase this feature is \$50,000.

¹Lincoln Financial Group and Hanover Research, "Managing Long-term Care Risk," October 2014.

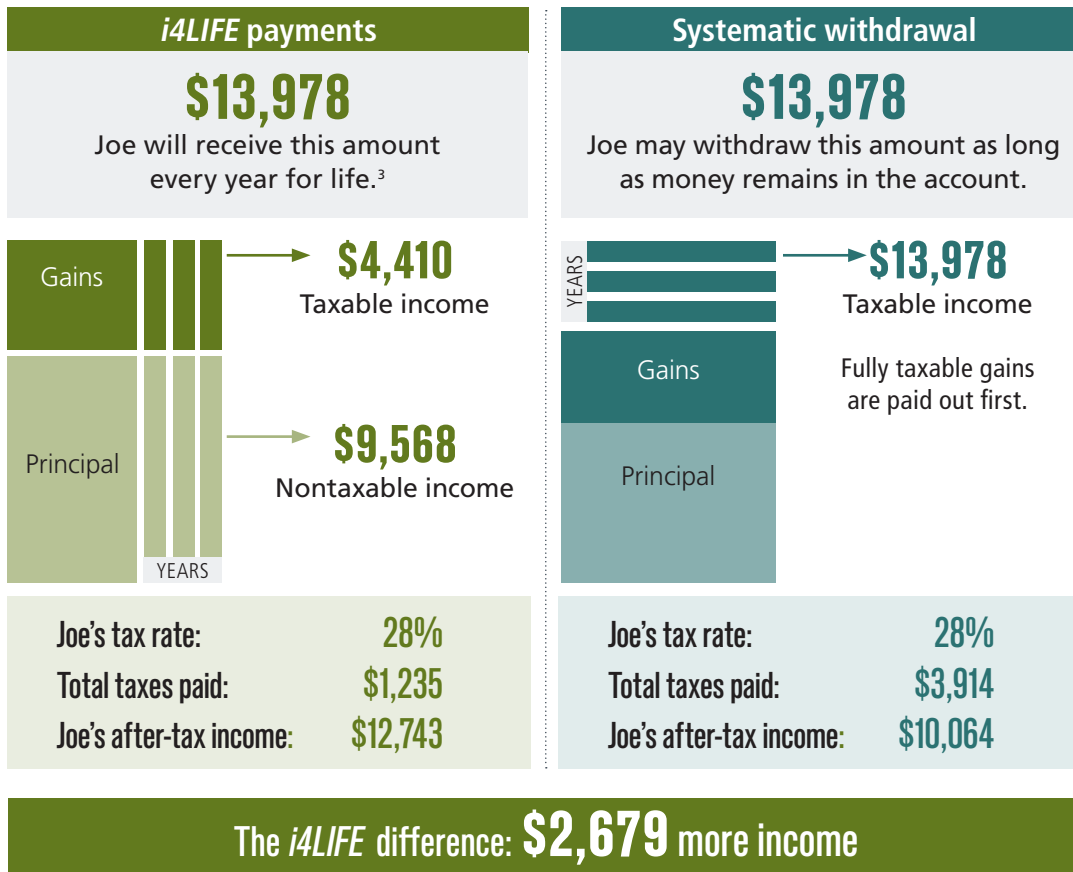
²The guaranteed amount is determined using a number of variables including age, gender, Access Period, account value, and number of lives covered (single or joint).

i4LIFE in action

If you're ready to access a known source of lifetime income that helps you manage taxes and your retirement, consider electing *i4LIFE*[®] Indexed Advantage for an additional cost. This optional feature delivers immediate, tax-efficient income.

This example illustrates how the tax-efficient income works on a *Lincoln OptiChoice* fixed indexed annuity with *i4LIFE* Indexed Advantage compared to fully taxable systematic withdrawals.

Assumptions: male, age 70, \$250,000 premium



This hypothetical example does not reflect a specific fixed indexed annuity contract or the fee for purchasing *i4LIFE*[®] Indexed Advantage. A new charge may apply if the *i4LIFE*[®] guaranteed amount increases after the first five years. Actual fixed indexed annuity performance will depend on current crediting rates at time of purchase. Withdrawals of taxable amounts are subject to ordinary income tax and may be subject to an additional 10% federal tax if taken prior to age 59½.

³Additional withdrawals are subject to ordinary income tax to the extent of the gain. Withdrawals will reduce the account value, death benefit, and guaranteed minimum income (reduced proportionally).

Lincoln Lifetime IncomeSM Edge 2.0 for income later

Are you at the stage where you need to plan for more income, but can't afford to subject your money to the market's ups and downs? Fortunately, Lincoln fixed indexed annuities can help you recharge your retirement income without facing all the risks associated with the market.

An extra boost for future income

Now you have more opportunities to keep your retirement savings protected, but still capture growth potential. Introducing *Lincoln Lifetime Income* Edge 2.0, an additional feature that can guarantee growth for future income—no matter how your indexed accounts perform. You can still enjoy all the benefits of a fixed indexed annuity, plus retain access to your money.

7%

Guaranteed growth of the Income Base

Your Income Base will increase by a 7% enhancement percentage each year that you delay taking income.

10%

Nursing home enhancement

You'll have added financial protection if you ever need nursing home care. Your withdrawal rate would automatically increase to 10% of your Income Base.¹

Guarantees are based upon the claims-paying ability of the issuer.

*Lincoln Lifetime Income*SM Edge 2.0 (form AR-343 or state variations) is available for an additional 0.95% charge (1.50% maximum) and subject to rider issue age limits, which may differ from the contract issue age limits. May not be available in all states. Limitations and exclusions may apply.

Withdrawals taken prior to electing an income withdrawal under the income rider will impact the amount of the Lifetime Benefit Amount provided with the rider. Income taxes are due upon withdrawal and if withdrawn before age 59½, an additional 10% federal tax may apply.

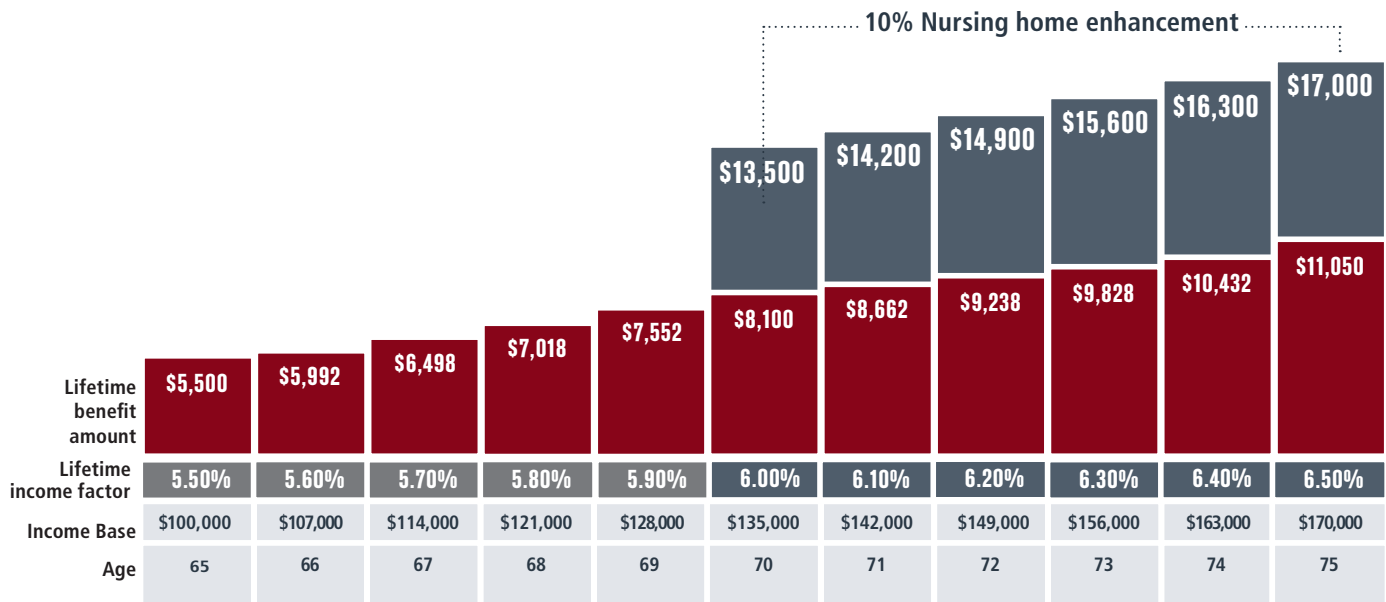
¹In order to qualify for the nursing home enhancement, you must be 65; you cannot be in a nursing home the year prior to rider election or for five years after; you must have a minimum 90-consecutive day stay; and your account value must be greater than zero. With joint life, the first person to qualify and file would receive the enhancement. Not available in all states.

Get even more growth and income — with added protection

If you want an extra boost for retirement, with an income stream that will increase over time, consider adding *Lincoln Lifetime Income*SM Edge 2.0 for an additional cost.

Lincoln Lifetime Income Edge 2.0 in action

The example below illustrates how the Income Base grows at a guaranteed rate each year—even when the market is down.



Age-based income factors ²					
Age	Income factor	Age	Income factor	Age	Income factor
60	5.00%	66	5.60%	72	6.20%
61	5.10%	67	5.70%	73	6.30%
62	5.20%	68	5.80%	74	6.40%
63	5.30%	69	5.90%	75	6.50%
64	5.40%	70	6.00%	76	6.60%
65	5.50%	71	6.10%	77	6.70%

The chart above is a sample of the age-based income factors available. Age-based income factors range from ages 50 – 95+.

This hypothetical example does not reflect a specific fixed indexed annuity contract or the fee for purchasing *Lincoln Lifetime Income*SM Edge 2.0. A new charge may apply if an account value step-up occurs after the first five years (you may opt out of this feature within 25 days if the fee increases). The 7% annual enhancement will not apply in any year where income is received through the Lifetime Benefit Amount. Actual fixed indexed annuity performance will depend on current crediting rates at time of purchase. Withdrawals of taxable amounts are subject to ordinary income tax and may be subject to an additional 10% federal tax if taken prior to age 59½. The Income Base is not available as a separate benefit upon surrender, death or annuitization.

²Lifetime withdrawal rates shown in the chart reflect a single life. For joint lives, reduce the payment percentages shown by 0.60%.

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

©2018 Lincoln National Corporation

Lincoln Financial Group
150 N. Radnor-Chester Road
Radnor, PA 19087

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-2206256-080918

ECG 9/18 Z05

Order code: FA-OCIA-BRC001



Important information:

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 your own independent advisor as to any tax, accounting, or legal statements made herein.

A fixed indexed 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. A fixed indexed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments, or index. The index used is a price index and does not reflect dividends paid on the underlying stocks.

*Lincoln OptiChoice*SM fixed indexed annuities (contract form 05-606 and state variations) 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. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Contract may be referred to as "policy" or "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.

Waiver of Surrender Charges for Nursing Home Confinement Rider and Waiver of Surrender Charges for Terminal Illness Rider (form AE-119 and form AE-170, respectively, or state variations) may not be available in all states. Nursing Home Rider not available for contracts issued in Massachusetts.

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 more information about the annuity, please also read the Disclosure Statement and Facts At-A-Glance, or contact your representative.

Income taxes are due upon withdrawal and if withdrawn before age 59½, an additional 10% federal tax may apply. Withdrawals and surrenders may be subject to surrender charges and a Market Value Adjustment.

The S&P 500 Index and the S&P 500 Daily Risk Control 5% Index are products of S&P Dow Jones Indices LLC ("SPDJI"), and have been licensed for use by The Lincoln National Life Insurance Company. Standard & Poor's®, S&P®, S&P 500® and S&P 500 Daily Risk Control 5%™ are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by The Lincoln National Life Insurance Company. The Lincoln National Life Insurance Company's product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such products nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index or the S&P 500 Daily Risk Control 5% Index.

There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan, since they are already afforded tax-deferred status.

Product and features are subject to state availability. Limitations and exclusions may apply. Not available in New York.

i4LIFE® Indexed Advantage is an optional Guaranteed Income Benefit (GIB) rider (form AR-336 for nonqualified and form AR-335 for qualified or state variations) available for an additional 0.95% charge (2.00% maximum) and subject to rider issue age limits, which may differ from the contract issue age limits. May not be available in all states. Limitations and exclusions may apply.

*Lincoln Lifetime Income*SM Edge 2.0 is an optional Guaranteed Lifetime Withdrawal Benefit (GLWB) rider (form AR-343 or state variations) available for an additional 0.95% charge (1.50% maximum) and subject to rider issue age limits, which may differ from the contract issue age limits. May not be available in all states. Limitations and exclusions may apply.