

# Income America 5ForLife

## Frequently asked questions

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This document gives you in-depth information to help understand the Income America 5ForLife investment option in our 401(k) and money purchase plans. It isn't intended to provide guidance or advice; for further information, please contact your financial professional. Use these links to jump to a specific section:

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## Income America 5ForLife basics

### 1. What's Income America 5ForLife?

Income America 5ForLife is a series of target-date portfolios\* that provide guaranteed lifetime income. To protect against market uncertainty during retirement, Income America 5ForLife includes a lifetime income guarantee of 5% per year of your income base, beginning at your withdrawal date.

### 2. What's my income base?

Your initial contribution establishes the income base, which is guaranteed to never decrease as a result of market performance. It's used to calculate the amount of guaranteed lifetime income payments.

Effective November 6, 2023 your income base will be adjusted annually to reflect additional contributions (including transfers of assets into the portfolio), certain withdrawals (reflected daily), and market performance.

Annual step-ups will take place each year on your birthday. Annual step-ups will not occur retroactively if your birthday was before November 6, 2023; you can expect your step-up in 2024. If your investment balance is higher, your income base will be increased to match the investment balance.

**NOTE:** The step-up feature is available as long as assets remain in the investment. Any resulting update to the guaranteed lifetime income payments will begin after the participant's birthday and remains in effect for the following 12-month period (called a "benefit year").

\* These portfolios are collective investment funds for which Great Gray Trust Company, LLC is the trustee.

See disclosures at the end for additional information.

### 3. Is the 5% my rate of return?

No. The 5% is the guaranteed annual income percentage of your income base that you get once you start receiving payments (if you select a joint life option, the guaranteed rate is lower).

How it works: To determine your guaranteed lifetime annual income, simply multiply your income base by the guaranteed annual income percentage. If you're age 65 and taking income payments for your life only, then you'd multiply your income base by 5%. This amount will be the annual lifetime income you'll receive for the remainder of your life.

### 4. What happens when I turn age 65?

If you're invested in the Income America 5forLife investment option at age 65, you'll automatically be reallocated to the Income America 5ForLife In Retirement Fund. Additionally, when you elect to start your guaranteed income payments, your Income America 5ForLife balance will be reallocated to the Income America 5ForLife In Retirement Fund. However, you can move your In Retirement Fund balance to any of the Income America 5ForLife portfolios after any automatic reallocations.

### 5. Is there a minimum or maximum amount I can contribute to Income America when determining my income base?

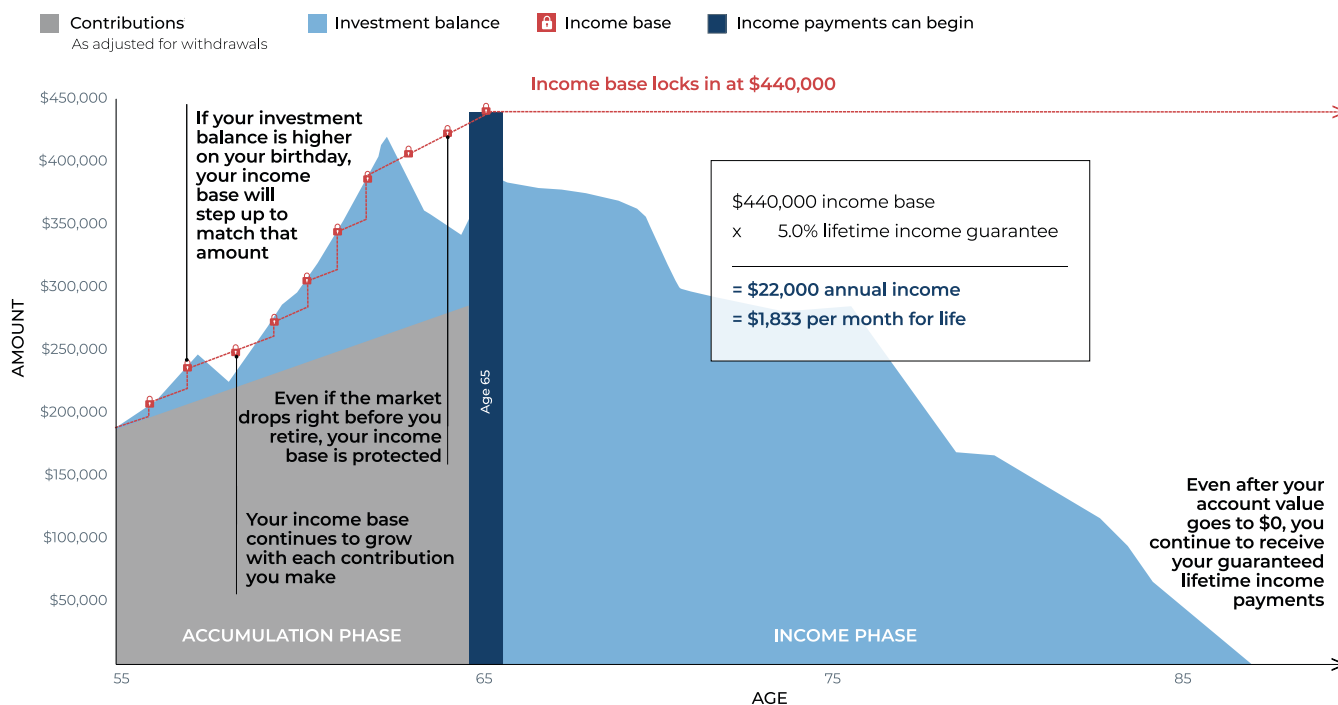
There are no minimum or maximum contribution limits other than annual IRS limits. However, the maximum income base is \$4 million.

### 6. Is Income America available on Lincoln's deferred compensation plans with Nolan Financial?

Income America is only available within the 401(k) and money purchase plans. It isn't an investment option for Lincoln's nonqualified deferred compensation plans.

### 7. How does Income America work?

As depicted below, the contributions total \$282,000, but thanks to market gains and annual step-up opportunities, the income base<sup>1</sup> locks in at \$440,000. This translates into lifetime income payments of \$22,000/year, or 5% of the income base, for life, even if the participant outlives the balance or there is a severe market downturn.



This chart is for illustration purposes only and shows the general principles of Income America 5ForLife, assumes a series of hypothetical annualized portfolio returns that illustrate both potential growth and the potential volatility of the market, no additional contributions after retirement, and no post-retirement withdrawals that exceed the 5% guaranteed lifetime income payments. In this example, after age 65, no additional contributions or withdrawals were made, so no additional annual step-ups were applied since there was a declining investment balance.

<sup>1</sup> Your income base is never available for withdrawal and is only used for calculating your income. It may be adjusted based on contributions to and/or withdrawals from the investment. While you can withdraw the market value of your investment option without fees or penalties, doing so may cause you to lose some or all of the income guarantee. You may elect to receive income at any time after age 65. If you withdraw more than the guaranteed income in any year, your income base and future guaranteed income will decrease. However, if your required minimum distribution exceeds your guaranteed income amount, your income base will not be affected and your payments will not be lowered.

## Income America 5ForLife investments, fees, and market volatility

### 8. What is a target-date portfolio?

Each target-date portfolio is a carefully selected mix of investment options that includes 5 stocks, bonds, and stable value investments. The mixture of those investment options is commonly referred to as asset allocation.

The asset allocation of a target-date portfolio gradually shifts to a more conservative profile to minimize investment risk as the portfolio gets closer to the target retirement date.

The target-date portfolio options are intended to align with the year in which you turn age 65; however you may invest in any Income America target-date portfolio.

Income America 5ForLife is unique in that the investment option also provides protection against market uncertainty because your income base is locked in annually on your birthday, so your income payments don't go down, even if the market does.

### 9. How does this investment option work alongside the other investment options within my plan?

The Income America 5forLife investment option should be treated like other investment options in the Lincoln 401(k) and money purchase plans. When deciding how to allocate your retirement savings, consider your risk comfort level, goals, and time horizon. The Income America 5forLife investment option can be a standalone option, or you could pair it with other investment options in the plan depending on your objectives.

### 10. Does market volatility cause the account value to fluctuate in the investment option?

Yes. A feature of Income America is that each year on your birthday, your income base is compared to the current investment balance. If the investment balance is higher, the income base will be increased to match it. If the investment balance is lower, no adjustment will be made to your income base as any contributions deposited throughout the year increase the income base when they are deposited into Income America 5ForLife.

### 11. Will I still benefit if the market grows after my income locks in?

Yes. Your income locks in when you elect to start receiving payments. The account balance in your Income America 5ForLife investment option continues to be invested and will grow or decline with the investment option's performance. However, your guaranteed income payments will not change unless there are additional contributions into an Income America 5ForLife investment option or your

investment balance increases over the "benefit year" — both will increase your income base (if applicable). Excess withdrawals could lower your income payments.

### 12. Can I roll funds from an external account into Income America?

Yes. You can roll external accounts into the Income America 5ForLife investment option. Those investments will be added to your income base.

### 13. What types of contributions are accepted in the Income America 5forLife investment option?

Contributions into the Income America 5ForLife investment option can originate from any qualified source allowed by the plan, including payroll contributions, employer contributions, rollovers from other qualified accounts, and transfers within the plan. Roth and pretax dollars are also accepted. Note that when multiple sources are available, you can't perform online transfers from a specific money source such as a Roth. A specific request must be made through the Lincoln Customer Contact Center at **800-234-3500**.

### 14. How much is the fee to administer my Income America 5ForLife account?

The total fee to invest in the Income America 5ForLife investment is approximately 0.84%. A portion of this fee is the standard investment advisory fee, and another portion relates to the income guarantee.

### 15. Can the fees change in the future?

Yes. Fee changes will be communicated to you.

### 16. Can you explain how the cost is calculated?

As with the other investment options in our plan, the Income America 5ForLife investment option charges an expense ratio. The expense ratio is deducted from the investment option's gross annual return.

### 17. Is there a hedge against inflation?

No. Income America 5forLife doesn't provide a specific hedge against inflation.

## Saving in Income America 5ForLife

### 18. How do I start investing in Income America?

You can start investing in an Income America 5forLife investment option by making an allocation change — either for current dollars, future dollars, or a mix of both. You can change investments via your account at [LincolnFinancial.com/Retirement](https://LincolnFinancial.com/Retirement) or by calling the Lincoln Customer Contact Center at **800-234-3500**. Please note that you must do a fund-to-fund transfer into or out of Income America 5ForLife. The reallocation transfer method is currently unavailable for Income America 5ForLife.

**19. Can I contribute to my account after age 65 or after receiving guaranteed income payments?**

Yes. Additional contributions (less withdrawals) into an Income America 5ForLife investment option will increase your income base.

**20. Can I include my spouse on an Income America 5ForLife plan?**

Yes. If you're married and want the lifetime income payments to last for the length of your life and your spouse's life, then the guaranteed income percentage will be less than the 5% guaranteed income payments to cover income payments made over two lifetimes. This chart shows guaranteed annual income percentages for the joint life option if you start taking income payments at age 65 or later.

Your spouse's age	Guaranteed annual income percentage
55 – 59	3.5%
60 – 64	4.0%
65+	4.5%

**21. What happens with my Income America 5ForLife income payments if I pass away before my spouse?**

If you chose income payments to cover both you and your spouse, once you pass away, the lifetime income payments would continue uninterrupted to your spouse. Once your spouse dies, the remaining Income America 5ForLife account value will be paid to the designated beneficiary under the plan. The same applies if you chose the single life option – the remaining Income America 5ForLife account value will be paid to your designated beneficiary.

**22. If I chose to cover my spouse, will the monthly benefit amount change if I pass away?**

No. It doesn't change.

**23. Is there a fee or penalty that's taken from the balance when a 5ForLife participant passes away?**

No additional fees will be assessed on your account.

**24. How often will I get statements on my Income America 5ForLife account?**

You can view your statement at any time in your account at [LincolnFinancial.com/Retirement](https://lincolnf.com/Retirement). You'll also receive a quarterly statement that provides the information on the Income America 5ForLife investment option, including the income base and account value.

**25. Can I view my Income America 5ForLife account information online?**

Yes. Your Income America 5ForLife investment option information can be found in your account at [LincolnFinancial.com/Retirement](https://lincolnf.com/Retirement) alongside other plan investments.

**26. Is this investment option good for someone who's retiring this year?**

Potentially. If you want guaranteed income and help minimizing stock market volatility, Income America 5forLife Investment option could be a great fit. Consider scheduling a one-on-one meeting with your retirement consultant to discuss your options.

**27. Can I invest in Income America just before I plan to retire?**

Yes. You can invest in this option at any time.

**28. What happens if my employment ends and I'm invested in Income America 5ForLife? Can I add additional funds to Income America after leaving Lincoln?**

If your plan account balance is less than \$1,000 when your Lincoln employment ends, you'll have an opportunity to roll your account balance to another qualified retirement plan or Individual Retirement Account (IRA) or take your account balance in cash. To keep your Income America 5ForLife benefits, you'd have to roll your account balance into the *Lincoln PathBuilder Income®* IRA or another qualified plan that offers Income America. Note that an IRA will have different investment options and fees than those currently offered in your plan.

If your plan account balance is at least \$1,000, your Income America 5ForLife investment option will continue to be invested in the portfolio that you selected until age 65, when your account's market value in the Income America 5ForLife investment option will be transferred to the Income America 5ForLife In Retirement Fund. If you want to add money to the plan after leaving Lincoln, you can do so with a rollover.

**29. What is the difference between the Income America 5ForLife investment option and the State Street target-date investment options? Can I be invested in both or move my State Street target-date assets to Income America before age 65?**

Yes, you can be invested in both options. The Income America 5ForLife investment option and the State Street target-date funds share similarities, including an asset allocation that becomes more conservative over time. However, the Income America 5ForLife investment option has a higher fee and provides guaranteed income, while the State Street target-date funds don't have this guarantee.

**30. Since my contributions are protected, could I select a more aggressive portfolio?**

Yes, if you're invested in the Income America 5forLife investment option at age 65, you'll automatically be reallocated to the Income America 5ForLife In Retirement Fund. However, you can move your In Retirement Fund balance to any of the Income America 5ForLife portfolios.

**31. What are the downsides of investing in Income America?**

Potential downsides include higher cost compared to other investments in the plan and fewer features compared with similar standalone annuity products.

## Withdrawals from Income America 5ForLife

**32. Does the 5% annual withdrawal count toward my required minimum distribution (RMD)?**

Yes. RMDs can be deferred until April 1 of the calendar year following the year you retired in and are at least: age 70½, if born before July 1, 1949; age 72, if born after June 30, 1949, and before 1951; age 73, if born between 1951 and 1959; or age 75, if born in 1960 or later.

**NOTE:** Beginning in 2024 the calculation of the RMD amount will not include money held in a Roth source.

**33. Can I make withdrawals from Income America 5ForLife before or after I start lifetime income payments?**

Yes. You keep full control of your account balance and can withdraw money anytime you have an allowable reason. You can also transfer out of the Income America 5ForLife investment option anytime without a surrender charge.

However, if you've started lifetime income payments and want to take more money from the account, you can take a withdrawal anytime there's a distributable event. If the total withdrawals for the year exceed the guaranteed annual income amount, this additional withdrawal is considered an excess withdrawal. If you haven't started taking guaranteed annual income, any withdrawals will reduce your income base on a proportionate basis. Consider the following example:

- Sue's account value is \$150,000.
- Sue's income base is \$200,000.
  - If Sue takes a \$50,000 hardship withdrawal before starting her guaranteed annual income (GAI), her income base will decrease by the same percentage (33.33%) because the income base is reduced pro rata. Her new account value is \$100,000, and her new income base is \$133,333.
  - When an excess withdrawal occurs, the GAI amount is recalculated to equal the applicable GAI percentage multiplied by the new income base (after it's reduced by the pro rata reduction for the excess withdrawal).

- In a declining market, excess withdrawals may significantly reduce the income base and the GAI amount. If the income base is reduced to zero due to an excess withdrawal, the guaranteed annual income payments will stop.

**34. Will I be taxed if I withdraw money from my account?**

Your withdrawals from the plan (pretax or Roth) will be subject to the same tax treatment regardless of whether you invest in Income America 5ForLife.

**35. How do I begin collecting my guaranteed monthly income payments?**

Simply complete the appropriate withdrawal form available through Lincoln's Customer Contact Center (800-234-3500, Monday through Friday, between 8:00 a.m. and 8:00 p.m. Eastern). If married, you'll need to decide if you want to receive the guaranteed income payments for the length of your life only (single life) or the length of your and your spouse's life (joint life). You can also select the frequency of your income payments: monthly, quarterly, or annually.

**36. Can I receive a rate other than the 5% withdrawal?**

No. The only way the income guarantee would be something other than 5% is if you chose a joint life option.

**37. What happens to my income base if a loan is taken from the Income America 5ForLife investment option? What happens when I pay it back later?**

A loan is treated as an excess withdrawal and reduces your income base in proportion to the amount the loan reduces the account value in your Income America 5ForLife investment option.

Loan payments deposited into your Income America 5ForLife investment option will increase your income base.

**38. If I start taking an income after age 65, can I pause the income payments and resume them later?**

Yes.

**39. How are distributions handled if contributions include both traditional and Roth dollars?**

Unless stipulated on the distribution forms, distributions from the Income America 5forLife investment option would be distributed pro rata.

**40. Can I be employed by Lincoln and simultaneously take my Income America 5ForLife distributions at age 65 or later?**

Yes, you can continue to work at Lincoln while receiving your Income America distributions.



**41. If I transfer all my money out of Income America, can I contribute money back in later?**

Yes; however, you'd be subject to a 90-day waiting period before you could reinvest in any Income America 5ForLife investment option. If you're receiving your income payments and transfer all of your money out of Income America, you'll receive the account value. Your income base will be reestablished at the time you reinvest.

## Age-specific scenarios

**42. Is there a certain age, circumstance, or market value this product will benefit most?**

Employees concerned about market volatility and their ability to fund their long-term spending needs might benefit the most from Income America, as the investment is designed to provide you with a steady stream of income in retirement.

**43. What is the youngest age that I could start getting monthly income payments from Income America 5ForLife?**

The Income America 5ForLife investment option is designed to begin income payments at age 65. However, income payments can begin anytime after age 65.

**44. I'm approaching age 65 within a few years. How does Income America fit into my retirement plans?**

Income America 5forLife could be part of anyone's retirement income plan. Consider a one-on-one meeting with your retirement consultant to discuss your specific situation.

**45. I'm already over the age of 65. Is it too late for me to invest in Income America?**

No, it's not too late. You can invest in Income America after age 65. Contributions made or money moved into Income America will establish your income base, and additional contributions and positive market performance will increase your income base.

**46. What happens to my investments in Income America if I retire before age 65?**

As long as your overall account balance in the plan is at least \$1,000, your account will remain invested in the options you selected, unless you request a distribution. You can request guaranteed income payments from your Income America account anytime after age 65.

## Additional Income America 5ForLife information

**47. How can I learn more about the Income America 5ForLife program?**

Information about the Income America 5ForLife investment option is available in your account at [LincolnFinancial.com/Retirement](https://lincolffinancial.com/Retirement). Additionally, you can meet with a retirement consultant or Ayco to discuss your retirement planning questions.



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The Income America 5ForLife target-date portfolios include a group annuity contract, which provides a plan participant with guaranteed annual retirement income that is supported by a contract between the trustee and the following issuing insurance companies:

- The Lincoln National Life Insurance Company, Fort Wayne, IN. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.
- Nationwide Life Insurance Company, Columbus, OH.

Each target-date portfolio in the series may invest in a fixed annuity contract issued by Nationwide Life Insurance Company and The Lincoln National Life Insurance Company. This fixed annuity contract is separate from the group annuity contracts issued by the same entities which support the guaranteed annual retirement income.

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