Lincoln Financial Group®

You're In Charge®

**Wealth**Protection Expertise℠

# Lincoln *MoneyGuard*® II playbook

## Flexible funding options for LTC planning




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Insurance products issued by: The Lincoln National Life Insurance Company

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# Help protect client wealth from the risks of long-term care (LTC)

## Who are your clients?

When it comes to Lincoln *MoneyGuard*® solutions, they are already in your book of business. What would clients do if their health suddenly changed? Take a look at four Lincoln *MoneyGuard* client profiles with the flex-pay options that may work best.

### Cash-strong clients, age 60 plus

- Can contribute $50,000 to $500,000 in premiums
- Single- to 3-pay premium

### Pre-retirees, ages 55 to 65

- Can contribute $5,000 to $50,000 in annual premiums
- 5- to 10-pay premium

### Retirees who want to refocus IRAs, RMDs and annuities

- Can contribute $5,000 to $50,000 in annual premiums
- 5- to 10-pay premium

### Young professionals, ages 40 to 55

- Can contribute $5,000 to $50,000 in annual premiums
- May receive an annual bonus
- 5- to 10-pay premium

## Ask your client these questions, and we'll get started.

- **Will they supplement their healthcare protection with cash savings or cash flow?**
- **Is your client married or single?**
- **What is their local cost of care?**

Lincoln *MoneyGuard* II designed for your client's long-term care plan. It offers:

1. Wide range of benefits
2. Flexibility
3. Customization

**Contact your Lincoln representative for a full projection of values and all funding options available.**

# Cash-strong clients

# Help insure unpredictable long-term care costs

## Lincoln *MoneyGuard*® II client profile

- **Cash-strong clients**
- Pre-retirees
- Retirees
- Young professionals

**Advisors we surveyed estimate that clients who experience a long-term care event and do not have protection in place could draw down their retirement savings at rates two to three times faster than planned.[1]**

**Client:** Dan, a healthy 58-year-old married male, plans on leaving a legacy for his family. He has allocated his cash savings to CDs and money market accounts.

**Financial situation:** With $3 million in investable assets and $800,000 in cash, Dan is determined to self-insure for long-term care.

**Financial advisor recommendation:** Instead of using his cash savings alone to pay for long-term care, Dan should consider using a small portion of his net worth to purchase a $150,000 single premium Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge. It's universal life insurance with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[2]

| All values and benefits shown are guaranteed[3] | | | | | | Long-term care reimbursement benefit limits[4] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[5] | Death benefit[6] | IRR[7] | Total benefit | Annual benefit | Monthly benefit | IRR[8] |
| 1 | 58 | $150,000 | $120,000 | $268,800 | 79.2% | $703,763 | $108,800 | $9,067 | 72.2% |
| 25 | 82 | $0 | $120,000 | $217,600 | 1.5% | $1,430,605 | $221,168 | $18,431 | 8.6% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] "Lincoln Financial study, "Managing Long-Term Care Risks: Perspectives from Consumers and Advisors," http://newsroom.lfg.com/wealth-protection-expertise , October 2014.

[2] Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[3] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 58-year-old male, married, healthy nonsmoker; Couples Discount; 6 years of coverage; 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[4] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[5] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[6] The value represented in the death benefit column is the greater of minimum required death benefit or specified amount.

[7] IRR is the internal rate of return on the death benefit.

[8] Internal rate of return on total LTC benefits.

# Pre-retirees

# Repurpose other assets to fund flexible premiums

Lincoln *MoneyGuard*® II client profile

Cash-strong clients

**Pre-retirees**

Retirees

Young professionals

It's not surprising that purchasers of long-term care coverage place high importance on protecting assets and leaving an estate.[1] Yet many clients with significant assets and similar motivation do not have any LTC coverage. The strategies you use to make it affordable and more utilitarian to this group may make their decision quicker and easier.

**Client:** Paul, a 60-year-old married male, has invested to fund retirement; however, he had not factored LTC costs into his planning. He recognizes LTC as one of the biggest risks to maintaining his family's lifestyle in retirement.

**Financial situation:** Both Paul and his wife are working, with their youngest daughter still in college. To complete her tuition payments, the couple prefers using their income. That would allow them to consider alternative uses for their savings and other assets.

**Financial advisor recommendation:** Paul's advisor recommends a five-pay $100,000 Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge. The first premium payment of $60,000 to initially fund the policy followed by $10,000 in years two through five. Lincoln *MoneyGuard* II is a universal life insurance policy is with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[2]

| All values and benefits shown are guaranteed[3] | | | | | | Long-term care reimbursement benefit limits[4] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[5] | Death benefit | IRR[6] | Total benefit | Annual benefit | Monthly benefit | IRR[7] |
| 1 | 60 | $60,000 | $35,699 | $134,843 | 124.7% | $436,110 | $67,422 | $5,618 | 105.3% |
| 25 | 84 | $0 | $80,000 | $134,843 | 1.3% | $886,522 | $137,054 | $11,421 | 8.6% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] Lincoln Financial study, "Managing Long-Term Care Risks: Perspectives from Consumers and Advisors," October 2014. http://newsroom.lfg.com/wealth-protection-expertise.

[2] Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[3] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 60-year-old male; married; healthy nonsmoker; Couples Discount; 6 years of coverage 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen; assuming premiums are paid as planned and no loans or withdrawals are taken.

[4] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[5] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[6] IRR is the internal rate of return on the death benefit.

[7] Internal rate of return on total LTC benefits.

# Tap into year-end bonus for wealth protection

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- **Pre-retirees**
- Retirees
- Young professionals

**Clients may think that wealth insulates them from long-term care expense risk. However, long-term care costs can have a significant impact on their portfolio, causing tax consequences and impacting their families' circumstances.**

### Client:

Dave, a 55-year-old partner in his firm, receives annual incentives and other bonus pay in cash and stock. He set up 529 plans for his children to fund their college costs, so the bonus pay he receives at this stage in his life is discretionary.

### Financial situation:

Dave plans to work until age 62, the unofficial retirement age for partners at the firm. By continuing to fund his 401(k) until then, he and his spouse will be financially ready to enjoy retirement. Up until now, Dave had not considered the risk that long-term care expenses could pose to their retirement assets.

### Financial advisor recommendation:

To fund LTC protection, Dave's advisor recommended purchasing a $150,000 Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge, using a five-year, $30,000 annual flex-pay option. This will allow him to pay premiums using his annual bonus and complete paying the policy premiums before his anticipated retirement date. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[1]

| All values and benefits shown are guaranteed[2] | | | | | | Long-term care reimbursement benefit limits[3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[4] | Death benefit | IRR[5] | Total benefit | Annual benefit | Monthly benefit | IRR[6] |
| 1 | 55 | $30,000 | $8,082 | $216,230 | 620.8% | $699,332 | $108,115 | $9,010 | 289.7% |
| 26 | 80 | $0 | $120,000 | $216,230 | 1.5% | $1,464,246 | $226,369 | $18,864 | 9.0% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[2] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 55-year-old male, married, healthy nonsmoker; Couples Discount; 6 years of coverage, 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[3] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[4] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[5] IRR is the internal rate of return on the death benefit.

[6] Internal rate of return on total LTC benefits.

# Build early protection by using IRA Rule 72(t)

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- **Pre-retirees**
- Retirees
- Young professionals

**Long-term care planning helps keep family as care managers instead of care providers. Help clients give their loved ones the freedom to focus on their own family, their careers, and their lives.**

### Client:

Henry is a 55-year-old, married male, financial advisor who often speaks about LTC planning with his clients. He has his own financial plan in place but realizes he is still missing an important part. Now it's his turn to start planning for long-term care as well.

### Financial situation:

Henry has kids in college and is paying down on his mortgage while still funding his retirement plan. However, he recognizes that through the use of the Rule 72(t) access, he can withdraw from an IRA at age 55 without incurring an additional 10% tax. He has an IRA he rolled over from a previous employer with a balance of $285,000. Rule 72(t) provides access to no more than half the balance as long as there are five equal withdrawals made over a five-year span.

### Financial advisor recommendation:

Henry decides to fund a five-pay $100,000 premium with $20,000 a year into the Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge, utilizing the provisions of Rule 72(t). He withdraws enough to cover taxes and reallocates the difference to long-term care planning. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[1]

| All values and benefits shown are guaranteed[1] | | | | | | Long-term care reimbursement benefit limits[3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[3] | Death benefit | IRR[4] | Total benefit | Annual benefit | Monthly benefit | IRR[5] |
| 1 | 55 | $20,000 | $5,388 | $144,154 | 620.8% | $466,224 | $72,077 | $6,006 | 289.7% |
| 30 | 84 | $0 | $80,000 | $144,154 | 1.3% | $1,098,687 | $169,854 | $14,155 | 8.2% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[2]Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 55-year-old male, married, healthy nonsmoker; Couples Discount; 3% compound inflation option purchased; 6 years of coverage; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[3]Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[4]Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[5]IRR is the internal rate of return on the death benefit.

[6]Internal rate of return on total LTC benefits.

# Retirees

# Use RMDs to fund flexible premiums

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- **Retirees**
- Young professionals

Required minimum distributions (RMDs) from qualified retirement plans are designed to fund retirement needs. But if your retired clients have sufficient income, they can help protect their savings by leveraging their RMDs to purchase a Lincoln *MoneyGuard* II policy.

**Client:** Robert is a 70-year-old retired married male. He has sufficient savings, but is concerned about taxes and rising healthcare costs.

**Financial situation:** Combined, Robert and his spouse have sufficient retirement income from their portfolio outside of their IRA. Robert also accumulated a sizeable SEP-IRA of $750,000, and this will be the first year of RMDs calculated at $27,372, according to FINRA's RMD calculator. The couple recognizes that long-term care costs could jeopardize their retirement savings.

**Financial advisor recommendation:** Robert's advisor recommended a 10-pay, $150,000 Lincoln *MoneyGuard* II policy, using $15,000 of his RMDs to annually fund the premiums—without touching his savings. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[1]

| All values and benefits shown are guaranteed[2] | | | | | | Long-term care reimbursement benefit limits[3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[4] | Death benefit | IRR[5] | Total benefit | Annual benefit | Monthly benefit | IRR[6] |
| 1 | 70 | $15,000 | $0 | $153,268 | 921.8% | $459,804 | $76,634 | $6,386 | 429.8% |
| 10 | 79 | $15,000 | $120,000 | $162,000 | 1.4% | $459,804 | $76,634 | $6,386 | 14.4% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[2]Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 70-year-old male, married, healthy nonsmoker; Couples Discount; 6 years of coverage; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[3]Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected.

[4]Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[5]IRR is the internal rate of return on the death benefit.

[6]Internal rate of return on total LTC benefits.

# Make use of idle IRA assets to fund premiums

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- **Retirees**
- Young professionals

Affordability, avoiding family dependence, and flexible premiums are the top three reasons clients cite for purchasing long-term care insurance. If your retired clients have sufficient income from other sources, they can use their IRA assets now to purchase a Lincoln *MoneyGuard* II policy.

**Client:** Victor, who turns 65 this year, and his spouse, Leslie, are recently retired. Leslie was a long-time executive, and Victor ran a consulting practice for many years. They share a desire to protect each other from long-term care costs with proper long-term care planning.

**Financial situation:** Leslie's pension covers all their living expenses, including travel and discretionary purchases. Victor accumulated a sizable SEP-IRA during his consulting career and can comfortably turn to this source to fund both of their long-term care plans. The couple recognizes the biggest risk to their retirement is the potential of incurring long-term care costs.

**Financial advisor recommendation:** Their advisor recommended funding two $75,000 policies each over a five year period. Both of them would pay $15,000 per year in a five-pay Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge. By withdrawing $40,000 a year from Victor's IRA, they can pay for taxes and fund the $30,000 of premiums each year. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[1] Below is a example of policy values for Victor. A separate projection of values can be requested for Leslie.

| All values and benefits shown are guaranteed[2] | | | | | | Long-term care reimbursement benefit limits[3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[4] | Death benefit | IRR[5] | Total benefit | Annual benefit | Monthly benefit | IRR[6] |
| 1 | 65 | $15,000 | $4,233 | $83,787 | 458.6% | $270,984 | $41,894 | $3,491 | 214.7% |
| 20 | 84 | $0 | $60,000 | $83,787 | 0.6% | $475,173 | $73,461 | $6,122 | 9.4% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[2]Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 65-year-old male, married, healthy nonsmoker; Couples Discount; 3% compound inflation option purchased; 6 years of coverage; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[3]Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen The monthly benefit shown is the amount available for the first 12 months of care.

[4]Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[5]IRR is the internal rate of return on the death benefit.

[6]Internal rate of return on total LTC benefits.

# Leverage annuity income to protect retirement assets

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- **Retirees**
- Young professionals

Three out of four clients underestimate the cost of nursing home care.[1] Help pre-retirees protect their retirement assets and confidently shift into the next phase of life with a Lincoln *MoneyGuard* II policy.

**Client:** Lois, a 65-year-old retired female, and her spouse have an active lifestyle that includes maintaining winter and summer residences.

**Financial situation:** The couple's combined retirement assets generate more than enough income to fund their lifestyle. Up until now, Lois had not considered the risk that long-term care expenses could pose to the combined assets used to generate their income.

**Financial advisor recommendation:** To fund LTC protection, Lois's advisor recommended using funds from her Roth IRA to purchase an annuity with a one-time $300,000 payment base and guaranteed benefits. The annuity would generate more than the 5% annual distribution needed to pay the $15,000 annual premiums on a $150,000 Lincoln *MoneyGuard* II policy for 10 years with 3% compound inflation protection, available for an additional charge. After 10 years, all of the annuity income can revert back to supporting their lifestyle. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[2]

| All values and benefits shown are guaranteed[3] | | | | | | Long-term care reimbursement benefit limits[4] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[5] | Death benefit | IRR[6] | Total benefit | Annual benefit | Monthly benefit | IRR[7] |
| 1 | 65 | $15,000 | $0 | $133,497 | 790.0% | $431,757 | $66,749 | $5,562 | 369.9% |
| 20 | 84 | $0 | $120,000 | $157,200 | 0.3% | $757,088 | $117,044 | $9,754 | 9.2% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] Lincoln Financial study, "Managing Long-Term Care Risks: Perspectives from Consumers and Advisors," http://newsroom.lfg.com/wealth-protection-expertise, October 2014.

[2] Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[3] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 65-year-old female, married, healthy nonsmoker; Couples Discount; 6 years of coverage; 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[4] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[5] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[6] IRR is the internal rate of return on the death benefit.

[7] Internal rate of return on total LTC benefits.

# Use an untapped IRA to pay premiums

## Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- **Retirees**
- Young professionals

**Traditional long-term care insurance cannot provide the stability of guaranteed premiums. A Lincoln *MoneyGuard* II policy, with all policy charges guaranteed, makes it easy for clients with predictable, free cash flow from IRA required minimum distributions to fund premiums.**

**Client:** Jeanine has set aside money in an IRA. Although her husband purchased LTC insurance through his employer, Jeanine, now 65, had not considered the risks of being uninsured until her advisor recently broached the subject.

**Financial situation:** The couple also has 401(k) assets that should sustain their retirement lifestyle. The RMDs that Jeanine would begin taking in five years would be taxed at their marginal rate, and the extra income wouldn't make a significant difference to their lifestyle.

**Financial advisor recommendation:** Their advisor recommended a 10-pay, $150,000 Lincoln *MoneyGuard* II policy with 3% compound inflation protection, available for an additional charge, withdrawing $15,000 annually from Jeanine's IRA to fund the premiums. By using her IRA now versus waiting until the RMD age of 70½, she can lock in coverage at today's guaranteed rates and not risk living uninsured. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[1]

| All values and benefits shown are guaranteed[2] | | | | | | Long-term care reimbursement benefit limits[3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[4] | Death benefit | IRR[5] | Total benefit | Annual benefit | Monthly benefit | IRR[6] |
| 1 | 65 | $15,000 | $0 | $133,497 | 790.0% | $431,757 | $66,749 | $5,562 | 369.9% |
| 20 | 84 | $0 | $120,00 | $157,200 | 0.3% | $757,088 | $117,044 | $9,754 | 9.2% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[2]Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 65-year-old female, married, healthy nonsmoker; Couples Discount; 6 years of coverage; 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[3]Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[4]Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[5]IRR is the internal rate of return on the death benefit.

[6]Internal rate of return on total LTC benefits.

# Young professionals

# Enable and empower young professionals

Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- Retirees
- **Young professionals**

According to a Lincoln survey of consumers, two-thirds who do not own a long-term care solution, cite cost as the most significant barrier to purchasing long-term care protection.[1]

**Client:** Ryan, a healthy 45-year-old married male, is planning for his retirement and his children's college tuition expenses while watching his parents face substantial long-term care costs.

**Financial situation:** Although Ryan is currently working and has a high income stream, he is aware of the need to create a plan to protect his wealth and ensure his financial future.

**Financial advisor recommendation:** Ryan's advisor explained how he could use a portion of his current income to fund a flex-pay $100,000 Lincoln *MoneyGuard* II policy with 5% compound inflation protection, available for an additional charge. By starting early—at $10,000 a year for 10 years—Ryan will have guaranteed his premiums and benefits prior to his retirement. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[2]

| All values and benefits shown are guaranteed[3] | | | | | | Long-term care reimbursement benefit limits[4] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[5] | Death benefit | IRR[6] | Total benefit | Annual benefit | Monthly benefit | IRR[7] |
| 1 | 45 | $10,000 | $0 | $102,010 | 920.1% | $346,932 | $51,005 | $4,250 | 434.7% |
| 40 | 84 | $0 | $80,000 | $102,010 | 0.1% | $2,326,090 | $341,976 | $28,498 | 8.6% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] Lincoln Financial Group and Hanover Research, "Long-Term Care Risk Survey," https://www.lfg.com/LincolnPageServer?LFGPage=/lfg/lfgclient/rna/rsrch/index.html, October 2014.

[2] Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

[3] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 45-year-old male, married, healthy nonsmoker, Couples Discount; 5% compound inflation option purchased; 6 years of coverage Return of Premium Option 1 (80%) chosen; assuming premiums are paid as planned, and no loans or withdrawals are taken.

[4] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[5] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[6] IRR is the internal rate of return on the death benefit.

[7] Internal rate of return on the total LTC benefits.

# Keep the dreams alive for young professionals

Lincoln *MoneyGuard*® II client profile

- Cash-strong clients
- Pre-retirees
- Retirees
- **Young professionals**

Approximately one third of all long-term care claims occur between the ages of 60 and 80.[1] Getting started early with a Lincoln *MoneyGuard* II policy helps build up monthly and annual long-term care reimbursement amounts as clients age.

**Client:** Cheryl, a 45-year-old single female, has plans to retire at age 62 to pursue her volunteer work. When she can no longer actively volunteer, her plan is to donate a portion of her savings to strengthen the foundation's finances.

**Financial situation:** Cheryl is maxing out her 401(k) contributions, which will cover her living expenses when she retires. She has other savings to be spontaneous, travel, and leave a legacy. She is keenly aware that one of the biggest risks to her assets is the potential for LTC costs.

**Financial advisor recommendation:** Her advisor recommended using her employment income to fund a flex-pay $100,000 Lincoln *MoneyGuard* ® II policy with 3% compound inflation protection, available for an additional charge. By starting early—at $10,000 a year for 10 years—Cheryl will have benefits prior to her retirement. Lincoln *MoneyGuard* II is a universal life insurance policy with a rider that provides income tax-free reimbursements for qualified long-term care expenses.[2]

| All values and benefits shown are guaranteed[3] | | | | | | Long-term care reimbursement benefit limits[4] | | | |
|---|---|---|---|---|---|---|---|---|---|
| Policy year | Age | Planned premium | Surrender value[5] | Death benefit | IRR[6] | Total benefit | Annual benefit | Monthly benefit | IRR[7] |
| 1 | 45 | $10,000 | $0 | $130,716 | 1,207.2% | $422,762 | $65,358 | $5,477 | 571.9% |
| 40 | 84 | $0 | $80,000 | $130,716 | 0.8% | $1,338,900 | $206,991 | $17,249 | 7.0% |

Hypothetical example only. Benefit amounts will vary by client's age, health status, and gender (except in Montana, where gender does not affect rates or benefits).

[1] American Association for Long-Term Care Insurance, "Long-Term Care Insurance Facts — Statistics," http://www.aaltci.org/long-term-care-insurance/learning-center/fast-facts.php.

[2] Long-term care reimbursements are generally income tax-free under IRC Section104(a)(3).

[3] Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-lapse protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date. Values assume that the policy was purchased by a 45-year-old female, single, healthy nonsmoker; 3% compound inflation option purchased; Return of Premium Option 1 (80%) chosen, assuming premiums are paid as planned, and no loans or withdrawals are taken.

[4] Total benefit limits for reimbursement of qualified long-term care services. These values assume the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

[5] Surrender value is the greater of the policy value less surrender charge or the return of premium benefit, if available.

[6] IRR is the internal rate of return on the death benefit.

[7] Internal rate of return on total LTC benefits.

# Now identify your new clients

Revisit the at four Lincoln *MoneyGuard*® client profiles and use the space below to name potential clients who may be good candidates for Lincoln *MoneyGuard* II.

### Cash-strong clients, age 60 plus

1. ______________________
2. ______________________
3. ______________________

### Pre-retirees, ages 55 to 65

1. ______________________
2. ______________________
3. ______________________

### Retirees who want to refocus IRAs, RMDs and annuities

1. ______________________
2. ______________________
3. ______________________

### Young professionals, ages 40 to 55

1. ______________________
2. ______________________
3. ______________________

## Ask your client these questions, and we'll get started.

- Will they supplement their healthcare protection with cash savings or cash flow?
- Is your client married or single?
- What is their local cost of care?

Put Lincoln Wealth Protection Expertise to work for you. Call 855-831-7067.

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.

## For more information about Lincoln *MoneyGuard*® solutions, contact your Lincoln representative.

| |
|---|
| Not a deposit |
| Not FDIC-insured |
| May loose value (variable products) |
| Not insured by any federal government agency |
| Not guaranteed by any bank or savings association |



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**The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

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Products, riders and features are subject to state availability. The insurance policy and riders have limitations, exclusions, and/or reductions. Check state availability. Long-term care benefit riders may not cover all costs associated with long-term care costs incurred by the insured during the coverage period. Accelerated death benefits may be taxable and may affect public assistance eligibility.

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**Policy:** Lincoln *MoneyGuard*® II, universal life insurance policy form LN880/ICC13LN880 with the Value Protection Rider (VPR) on form LR880 and state variations/ICC15LR880 Rev, Long-Term Care Acceleration of Benefits Rider (LABR) on form LR881/ICC13LR881, and optional Long-Term Care Extension of Benefits Rider (LEBR) on form LR882/ICC13LR882. Not available in NY.

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