

FIXED ANNUITIES

The Lincoln Leader

FEBRUARY 10, 2023
VOLUME 16, ISSUE 2

Upcoming indexed account changes

Impacts to *Lincoln OptiBlend*® and *Lincoln FlexAdvantage*® contracts

Effective for *Lincoln OptiBlend* and *Lincoln FlexAdvantage* fixed indexed annuity (FIA) contracts issued February 21, 2023 and later

The 1 Year S&P 500 5% Daily Risk Control Spread account will no longer be available for new contracts. This account uses a total return index.

Effective for *Lincoln OptiBlend* contracts issued February 21, 2023 and later

Clients will be able to allocate premium to a new indexed account, the 1 Year S&P 500 5% Daily Risk Control ER (Excess Return) Spread.

Note: An excess return index tracks the performance of its total return index minus a short term interest rate.

Transition rules

To allocate money to the 1 Year S&P 500 5% Daily Risk Control Spread account (the existing indexed account using the total return index):

- Applications, both paper and electronic, must be signed, dated, received in good order, and funded by close of business **February 17, 2023**.
- If funds are not received by the deadline, new allocation instructions must be provided and can be accepted on a recorded line.

Continued on next page.

HEADLINES

[Indexed Account updates](#)

[New blog available: SECURE 2.0](#)

[QLAC premium limit increased](#)

[Market Intel](#)

[Tips for 1035 exchanges](#)

[Submit Applications Electronically](#)

[Access our self-service options](#)

[Sign up for Alerts/Notifications](#)

[February Forms Release](#)

[Tax form information](#)

[NAIC training required – new: TN](#)

[Contact information](#)

[Check out our current rates](#) or [run an illustration](#) (no login required).

Individual Annuity Contact Center will be closed on **President's Day, February 20, 2023**.

Upcoming indexed account changes, continued

Available indexed accounts as of February 21, 2023:

Lincoln OptiBlend fixed indexed annuity

- 1 & 2 Year BlackRock Dynamic Allocation Participation
- 1 Year BlackRock Dynamic Allocation Participation Plus (1% fee)
- 1 Year Fidelity AIM Dividend Participation
- 1 Year S&P 500 Cap
- 1 Year S&P 500 Participation
- 1 Year S&P 500 Performance Triggered
- 1 Year S&P 500 5% Daily Risk Control ER Spread
- 1 Year S&P 500 10% DRC Spread

Lincoln FlexAdvantage fixed indexed annuity

- 1 Year BlackRock Dynamic Allocation Participation
- 1 Year BlackRock Dynamic Allocation Participation Plus (1% fee)
- 1 Year Fidelity AIM Dividend Participation
- 1 Year S&P 500 Cap
- 1 Year S&P 500 Participation
- 1 Year S&P 500 Performance Triggered

Review the product Fact Sheets for more information and complete index disclosures (available February 21, 2023).

Illustrations will reflect the indexed account updates as of February 21 2023.



SECURE 2.0: A robust upgrade to retirement planning

New blog now available

Check out our latest blog post – highlighting how SECURE 2.0 may help Americans increase their retirement savings. [Read more here.](#)

UPDATE: *Lincoln Deferred Income Solutions*SM Annuity – QLAC premium limit

Premium dollar limit increases to \$200,000 due to SECURE 2.0

*Lincoln Deferred Income Solutions*SM Annuity is available as a Qualifying Longevity Annuity Contract (QLAC).

New QLAC business – Lincoln will accept premium amounts up to \$200,000 for new contracts. Electronic order entry and illustration systems will be updated to accept this amount in March.

Existing *Lincoln Deferred Income Solutions*SM Annuity contracts with QLAC status elected – Existing contracts (those issued prior to December 29, 2022) are subject to the prior regulations: The maximum additional premium accepted is limited to the lesser of \$155,000 or 25% of all traditional IRA balances as of December 31st of the year prior to the year of the contribution.

The Premium Requirement Verification Statement for QLAC (Form AN10910) will be required with all QLAC business. The updated form will be available in the next few months. Clients should consult their own tax advisor for information regarding their situation as Lincoln representatives do not provide legal or tax advice. *Lincoln Deferred Income Solutions*SM is subject to firm and state availability.

For financial professional use only. Not for use with the public.

Fixed Annuity Lincoln Leader – February 2023

Market Intel Exchange

Market data and insights from Lincoln and industry asset management partners

This [4Q 2022 edition](#) covers key themes including inflation, the Federal Reserve policy and interest rates and the potential for a recession.

View more information and sign up for updates [here](#).

The views expressed are those of the select asset managers only and not necessarily of any Lincoln Financial Group affiliate or the broker-dealer, or any affiliates. These views are not based on any particularized financial situation, or need, and are not intended to be, and should not be construed as, a forecast, research, investment advice or a recommendation for any specific strategy, product or service from any of the participating investment managers.

1035 exchanges: tips and reminders

Section 1035 of the Internal Revenue Code and “like kind” exchanges

Reminder: a 1035 exchange allows a tax-free exchange of an existing policy or contract for another policy or contract of like kind. The most common types of allowable transfers include:

- Life insurance policy for a life insurance policy
- Life insurance policy for non-qualified annuity contract
- Non-qualified annuity contract for non-qualified annuity contract

You cannot exchange an annuity contract for a life insurance policy (this is not considered “like kind”).

Contact your New Business Case Coordinator for help in executing an exchange.

Tips:

- ✓ The policy/contract structure of Owner/Annuitant/Insured must be the same for the old and new policy/contract.
- ✓ The ACORD 951 Form facilitates the exchange between the old and new carriers.
- ✓ **A 1035 Exchange is a type of replacement transaction and may require additional replacement information and forms.**
- ✓ Check with both the receiving and surrendering company for form requirements specific to the transaction that is being initiated.

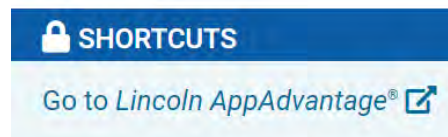
Submit Applications Electronically – Save Time, Reduce NIGOs

An online tool to increase “in good order” processing

Electronic submission of applications is available to many firms through several platforms. The electronic process helps streamline the New Business process. Even if an agent’s firm does not specifically support an order entry platform, agents are able to access the *Lincoln AppAdvantage*® electronic application tool (powered by FireLight) by logging into [LFD.com](#).*

Lincoln AppAdvantage® provides a way to electronically submit annuity business by using thousands of built-in business rules to help guide a producer toward creating an “in good order” application. By using this tool:

- Paperwork requirements are automatically identified,
- Repetitive fields will be auto populated, and,
- Any missing information will be flagged to help ensure your business is in good order.



*Some firms may restrict the use of *Lincoln AppAdvantage*®; in this situation, the link will not be available to representatives of that firm. Other firms may allow access but require a customized link (contact your Lincoln representative for more information). Lincoln Financial Network representatives have access to Lincoln Annuity eApp (powered by FireLight) via AdviceNext Gateway.

How to access our self-service options

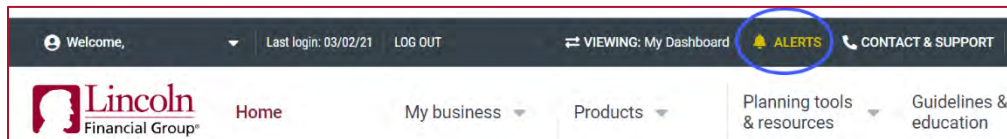
View “Service at your fingertips” to learn about our online tools

This [quick-reference guide](#) walks you through some of our most popular online tools as you prepare for annuity client meetings or reviews. View this digital brochure to learn more.



Alerts and notifications

Sign up for status updates and reminders



You can receive alerts via text and/or email to give you the status of your annuity new business accounts. This makes it easier to stay on top of which new accounts are in good order—and which ones need further action. You can also receive alerts for client reallocation windows so you can reach out in a timely manner to assist them.

- Receive alerts and notifications on the status of pending business: in good order/not in good order, status of transfers & exchanges, and more
- Receive an alert when a reallocation window is available; this simple reminder can provide an additional service opportunity.
- You can add up to three email addresses, allowing others to help you manage your business. Subject to firm approval; also some firms require using company-assigned email addresses.

February Forms Release

Updated forms available February 21, 2023; standard transition rules apply

Form #	Name of Form	Comment
28587-1	Application Questionnaire for Contracts Over the Maximum Premium	Updated language.
AN07361	Deceased Contract Request Form	
AN10067F	Annuity Contract Verification Form	
AN11745	Annuity Distribution Request - Nonqualified IRA ROTHSEP SARSEP	
AN11745AWS	Automatic Withdrawal Service Election	
AN11745SEP	Substantially Equal Periodic Payment	
AN12127VT	Disclosure Statement for <i>Lincoln Covered Choice</i> 5 II FIA - VT	Updated the S&P 500 index disclosure.
AN12129VT	Disclosure Statement for <i>Lincoln Covered Choice</i> Advisory 5 II FIA - VT	
AN11862VT	Disclosure Statement for <i>Lincoln Covered Choice</i> FIA - VT	
AN11864VT	Disclosure Statement for <i>Lincoln Covered Choice</i> Advisory 5 FIA - VT	
AN12052VT	Disclosure Statement for <i>Lincoln FlexAdvantage</i> FIA - VT	
AN11863VT	Disclosure Statement for <i>Lincoln OptiBlend</i> FIA - VT	
AN10915-OB	<i>Lincoln OptiBlend</i> Fixed Indexed Annuity Supplement	Replaced 1 Year S&P 500 5% DRC [TR] Spread account with Excess Return Spread.
AN10915-FLEX	<i>Lincoln FlexAdvantage</i> Fixed Indexed Annuity Supplement	Removed 1 Year S&P 500 5% DRC [TR] Spread account.
AN10915-MYGP	<i>Lincoln MyGuarantee</i> Plus Deferred Fixed/Indexed Annuity Supplement	Formatting.

1099-R information – 2022 tax forms mailed and available online

Lincoln receives many client calls for forms during tax season

The most common reasons a client might receive a 1099-R include:

- Taking a distribution from their annuity contract (1099-R Box 7, Distribution Code 1, 2 or 7);
- 1035 exchanges (1099-R Box 7, Distribution Code 6); or
- A direct rollover (1099-R Box 7, Distribution Code G).

A client should consult their tax advisor to determine if the tax applies to the distribution Lincoln is reporting.

Available online – Clients can also access their tax forms under the Correspondence & statements section of the online account management tools.

For questions – Contact the Lincoln Call Center or check out our [new tax form information page](#). For more information on the form itself, go to www.irs.gov and view the instructions for 1099-R.

Actuarial Present Value and/or Fair Market Value RMD letters mailed

Also available online

Each year we mail letters to clients of Required Minimum Distribution age advising them of the Actuarial Present Value and/or Fair Market Value of their annuity contract. The Actuarial Present Value and/or Fair Market Value is used to calculate their Required Minimum Distribution. Letters have been mailed and are also available on our website.

For financial professional use only. Not for use with the public.

Fixed Annuity Lincoln Leader – February 2023

NAIC Annuity Transactions Model Reg – training required

Many states now require additional training; other states anticipated to follow

The NAIC has amended the Annuity Transactions Model Regulation to align with the best interest standard of care for annuity sales. As part of this Model Regulation, producers will need to complete additional training. Refer to the Frequently Asked Questions document found by logging in to [LINCOLNFINANCIAL.COM](https://www.lincolnfinancial.com) > GUIDELINES AND EDUCATION > COMPLIANCE GUIDELINES for more information.

Producer training requirements for states who have adopted the 2020 NAIC Model

- **New annuity producers** are required to complete a four-credit training course that covers the new requirements.
- **Existing producers** who have previously completed a four-credit training are required to complete a new one-credit training course (a new four-credit course will also meet the requirement). Completion of this training is required within six months after the effective date of the Model Regulation in each state.
- **All producers:** Product-specific training will continue to be a requirement for new and existing producers prior to solicitation of an annuity product.

Note: Where Lincoln is conducting the suitability review, the ACORD 660 form or “Appendix A”, (“Insurance Agent (Producer) Disclosure For Annuities”) is required with the application in states that have adopted the new NAIC Model Regulation. If this form is missing from applications received after the effective date of that state’s adoption, the business will be deemed not in good order (NIGO).

Current state adoptions – NEW: Tennessee

The following states have recently adopted the revised NAIC Suitability in Annuity Transactions Model Regulation. Producers soliciting annuities in these states will need to complete the general annuity and product-specific training by the deadlines shown. State-specific requirements follow:

State	Effective Date	General annuity deadline if licensed prior to effective date	General annuity deadline if NOT licensed prior to effective date	Product-specific (carrier training) deadline	Reciprocal
Alaska	1/15/2023	7/14/2023	Prior to solicitation	Prior to solicitation	Yes
Colorado	11/1/2022	4/30/2023	Prior to solicitation	Prior to solicitation	Yes
Hawaii	1/1/2023	6/30/2023	Prior to solicitation	Prior to solicitation	Yes
Maryland	10/8/2022	4/7/2023	Prior to solicitation	Prior to solicitation	Yes
Massachusetts	6/1/2023	5/31/2023	Prior to solicitation	Prior to solicitation	Yes
Minnesota	1/1/2023	6/30/2023	Prior to solicitation	Prior to solicitation	Yes
New Mexico	10/1/2022	3/31/2023	10/1/2022	10/1/2022	Yes
North Carolina*	1/1/2023	6/30/2023	Prior to solicitation	Prior to solicitation	Yes
South Carolina	11/27/2022	5/27/2023	Prior to solicitation	Prior to solicitation	Yes
South Dakota	1/1/2023	6/30/2023	1/1/2023	1/1/2023	Yes
Tennessee	1/1/2024	6/30/2024	Prior to solicitation	Prior to solicitation	Yes
Wisconsin	10/1/2022	3/31/2023	Prior to solicitation	Prior to solicitation	Yes

* Updated

Future state adoptions

Other states are pending adoption of the 2020 NAIC Model; the Annuity Education Requirements 50-state chart will be updated as new states adopt the Model. The complete chart is available by logging onto:

[LINCOLNFINANCIAL.COM](https://www.lincolnfinancial.com) > GUIDELINES AND EDUCATION > COMPLIANCE GUIDELINES.

Looking for an article?

The Index of Articles for past issues of the Fixed Annuity Lincoln Leader can be found on the Lincoln Leader archive page of producer websites.

Products and features subject to [state availability](#).

Certain products are only available in select distribution channels. Check your selling agreement for availability.

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

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.

This email and its attachments may collect your personal information to improve Lincoln's products or to provide you with services related to its products. For more information, please see our [privacy policy](#).

©2023 Lincoln National Corporation

[LincolnFinancial.com](#)

LCN-5447231-020223



Fixed annuity contact information

Sales Desk

Product questions/ Sales ideas/
Illustrations/ Website training
Operating hours: **8:00 a.m. – 6:00 p.m. ET**

Annuity Sales Desk *Agent Use Only*

Sales Desk: **888-895-4830, Option 2**
FixedAnnuitySales@LFD.com

Producer Solutions

Appointments/ Contracting/
Compensation
Operating hours: 8:00 a.m. – 6:00 p.m. ET

Appointments/Contracting

Call Center: 800-238-6252, Option 1, Option 2
New Contracting Paperwork Submission:
Contracting@LFG.com
Fax: 603-226-5311

NAIC Training Questions:
AskAnnuityNAIC@LFG.com

Appointment Status Updates:
LicensingStatus@LFG.com

Compensation

Call Center: 800-238-6252, Option 1, Option 1
Commissions@LFG.com

New Business and Post-Issue

Operating hours: 8:30 a.m. – 5:00 p.m. ET

FAX Numbers

New business: 260-455-0271 (fax)
Post-Issue: 260-455-0263 (fax)

Pre-Issue Good Order (GO) Team

Contact the appropriate New Business Case Coordinator

Forms Submission (*must have an attachment*)
AnnuityForms@LFG.com

Overnight Servicing Address

Lincoln Financial Group
Individual Annuity Operations
1301 S Harrison St., Ft. Wayne, IN 46802-3425

Servicing Address

Lincoln Financial Group
P.O. Box 2348
Fort Wayne, IN 46801-2348

Contact Centers

For agent/client use
Operating hours: 8:00 a.m. – 6:00 p.m. ET

Fixed and Fixed Indexed Annuity

888-916-4900

Lincoln Insured Income, Lincoln Deferred Income Solutions, Lincoln SmartIncome and annuitization:
800-487-1485 x8529

Lincoln Long-Term Care: 877-534-4636

Lincoln fixed, fixed indexed and income annuities are issued by The Lincoln National Life Insurance Company (Lincoln), 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. **Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Contracts sold in New York are issued by Lincoln Life & Annuity Company of New York (Lincoln), Syracuse, NY. **The contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.**