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# FINANCIAL INDEPENDENCE
## SALES KIT

**Ideal Client Profiles | Retirement Income Fact Finders & Strategy Guide**
**Women & Finance: Producer Guide to Developing Stronger Relationships**


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John Hancock INSURANCE


**SALES STRATEGY**

**INDIVIDUAL NEEDS** | Advanced Markets

# Life Insurance in Retirement Planning (LIRP)

## Using Life Insurance to Supplement Retirement Income

### The Concerns

For many of your clients, planning for retirement has become one of their biggest financial priorities and one of their greatest financial challenges. Many workers believe that they will need to partially fund their retirement from their own savings efforts. Social Security and company-sponsored pension plans may not provide sufficient income for their retirement goals. As a result, your clients recognize that they need to save as much money as possible.

Often, some clients may not be able to put away as much money as they would like. Qualified plans such as 401(k)s are an excellent way to save for retirement, but are only available if your client's employer offers one. If offered, employee contributions to a 401(k) are limited to $18,000 per year in 2017, which may not meet your client's full savings needs. IRAs and Roth IRAs both offer additional qualified savings opportunities, but your client must meet income limits to use them and ultimately may still need to put away more money.

### The Solution

What other vehicles can you offer your clients to help them supplement their retirement savings after they have fully funded their available qualified plans and IRAs? Life insurance may be the solution.

Life insurance can be used as a tool to supplement your client's retirement planning efforts. During your client's working years, the life insurance policy death benefit can protect your client's family and replace income that would otherwise be lost should something happen to them. At retirement, your client can access the policy cash value via tax-favored loans and withdrawals.

### How It Works

Your client will apply for a John Hancock permanent life insurance policy on his or her life and will pay the premiums for that policy. Early on, the life insurance policy will provide a death benefit that will be received by the heirs income tax-free.[1] A permanent life insurance policy also has the potential to develop a cash value, which will grow on a tax-deferred basis. At retirement, your client may access any potential policy cash to supplement his or her retirement income via tax-favored loans and withdrawals.

### Benefits

- Life insurance can increase the amount left to heirs.
- Life insurance grows tax-deferred, cash surrender value can be accessed tax-free (through withdrawals and loans) and the death benefit can be received tax-free.
- Life insurance, depending on the state, can offer creditor protection.
- Withdrawals from insurance policies are not mandatory and may occur at any time or not at all, unlike distributions from qualified retirement plans which may be subject to an early withdrawal penalty at age 59½ and/or mandatory distributions at age 70.

### Considerations

- Life insurance purchased to help supplement retirement income should not be structured as a Modified Endowment Contract (MEC). Policies classified as MECs may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.
- Plan requires evidence of insurability.
- The policy cash value available for loans and withdrawals may be worth more or less than the original investment amount, depending on the performance of the policy crediting rate.
- Withdrawals and loans can reduce the policy death benefit and cash surrender value and may cause the policy to lapse. Lapse of a life insurance policy can cause the loss of the death benefit and potential adverse income tax consequences.

## CASE STUDY

**CLIENTS:** **Lily Rowan**, Female, Preferred Non Smoker, Age 40, 28% Tax Bracket, Massachusetts Resident.
The proposed strategy is to purchase a John Hancock Indexed UL policy with an initial death benefit of approximately \$150,000; Approximately \$4,500 in premium for 25 years, Death Benefit Option 2, yrs 1–25; Option 1, thereafter; assumes annual income payment of \$20,000 is taken from policy from age 66 through age 85.

| Year\$128,300 | Approximate Annual Premium | Cumulative Amount Received from Policy | Approximate Cash Surrender Value | Approximate Death Benefit Net of Loans/Withdrawals |
|---|---|---|---|---|
| 1 | \$4,500 | \$0 | \$600 | \$153,650 |
| 10 | \$4,500 | \$0 | \$50,400 | \$200,500 |
| 20 | \$4,500 | \$0 | \$155,600 | \$305,600 |
| 26 | \$0 | \$20,000 | \$233,750 | \$350,650 |
| 30 | \$0 | \$100,000 | \$208,100 | \$270,650 |
| 40 | \$0 | \$300,000 | \$112,400 | \$128,300 |

The figures used in this case study are hypothetical, for discussion purposes only, are not guaranteed and may not be used to project or predict results. Actual results may be more or less favorable. Specific product and policy elements would be found in a policy illustration provided by an insurer. With any decision regarding the purchase of life insurance, a client would need to determine which type of life insurance product is most suitable for their specific needs. The hypothetical rate of return in the above example is based on an allocation of premiums to an indexed account that credits interest based on the changes in an underlying index and is not indicative of future results. The net premium in the example is allocated to the Capped Indexed Account that credits up to 11.5% and has a floor of 0%. The hypothetical average annual rate of return assumed for the Capped Indexed Account is 6.5%. The death benefit amount is calculated assuming that no policy withdrawals and/or loans are taken prior to age 66. The income may be tax-free when withdrawals up to basis are taken, and thereafter policy loans are taken. Withdrawals above basis are income taxable.

## Summary

As the above chart indicates, the John Hancock Indexed UL policy provides death benefit protection for Lily and her family during Lily's working years. At retirement, Lily will be able to access the potential policy cash value via tax-favored loans and withdrawals to help supplement her retirement income. Would you like to illustrate this concept in a client-friendly presentation? Use JH Solutions, our proprietary software.

For additional information, please contact your local John Hancock Representative or call the Advanced Markets Group at (888) 266-7498, option 3.

1. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. Please consult your professional tax advisor.

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

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| INSURANCE PRODUCTS: | | |
|---|---|---|
| Not FDIC Insured | Not Bank Guaranteed | May Lose Value |
| Not a Deposit | Not Insured by Any Government Agency | |

John Hancock INSURANCE


CLIENT PROFILE

INDIVIDUAL NEEDS | Advanced Markets

# Life Insurance in Retirement Planning (LIRP)

## Using Life Insurance to Supplement Retirement Income

| CLIENT PROFILE | |
|---|---|
| **Age** | 40–60 |
| **Status** | Maxed out on contributions to qualified retirement plans. |
| **Concern** | Would like additional options for supplementing retirement savings. |

### Situation

- Client would like to save money for retirement but has maxed out on available qualified plans, such as 401(k)s and/or IRAs.
- Client would like additional life insurance protection for income replacement needs if death occurs prior to retirement.

### Solution

- Client can purchase a permanent life insurance policy. The policy builds a cash value account over time, based on premiums paid into the policy. Pre-retirement, the policy will provide income tax-free death benefit protection; post-retirement, the potential policy cash value can be used to supplement retirement income.

### How it Works

- Client applies for and purchases life insurance policy on his/her own life. Client pays the premium on the policy.
- During the client's working years, the policy will provide an income tax-free death benefit to the client's heirs.
- At retirement, the client can access any potential policy cash value via tax-favored loans and withdrawals to supplement retirement income.[1]

### Benefits

- Life insurance can increase the amount left to heirs.
- Life insurance provides an income tax-free death benefit.
- The life insurance policy cash value grows on a tax-deferred basis.
- Life insurance, depending on the state, can offer creditor protection.
- Withdrawals from insurance policies are not mandatory and may occur at any time or not at all, unlike distributions from qualified retirement plans which may be subject to an early withdrawal penalty at age 59½ and/or mandatory distributions at age 70.

### Considerations

- Plan requires evidence of insurability.
- Using life insurance as a form of supplemental retirement income is not tax deductible.
- Policy should not be structured as a Modified Endowment Contract (MEC). Policies classified as MECs may be subject to tax when a loan or withdrawal is made, and a federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.
- The policy cash value available for loans and withdrawals may be worth more or less than the original investment amount, depending on the performance of the policy crediting rate.

## CASE STUDY

**CLIENTS:** **Lily Rowan**, Female, Preferred Non Smoker, Age 40, 28% Tax Bracket, Massachusetts Resident.
The proposed strategy is to purchase a John Hancock Indexed UL policy with an initial death benefit of $175,000; $4,900 initial premium for 25 years, Death Benefit Option 2, yrs 1–25; Option 1, thereafter; Guideline Premium Test assumes annual income payment of $20,000 is taken from policy from age 66 through age 85.

| Year | Annual Premium | Cumulative Amount Received from Policy | Net Cash Surrender Value | Net Death Benefit |
|---|---|---|---|---|
| 1 | $4,900 | $0 | $300 | $178,750 |
| 10 | $4,900 | $0 | $49,400 | $225,450 |
| 20 | $4,900 | $0 | $150,800 | $325,800 |
| 25 | $4,900 | $0 | $231,100 | $388,000 |
| 26 | $0 | $20,000 | $225,000 | $368,000 |
| 27 | $0 | $40,000 | $218,450 | $348,000 |
| 30 | $0 | $100,000 | $197,400 | $288,000 |
| 40 | $0 | $300,000 | $100,250 | $116,000 |

This is a supplemental illustration. Benefits and values may not be guaranteed; the assumptions on which non-guaranteed elements are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. The hypothetical rate of return in the above example is based on an allocation of premium to an indexed account that credits interest based on the changes to the S&P 500®.[2] Income assumes withdrawal to basis and then taking Standard Loans. Example also assumes that the net premium is allocated to 100% of John Hancock's Capped S&P 500 Account, with a hypothetical rate of return of 6.0% and is not indicative of future results. The death benefit amount is calculated assuming that no policy withdrawals and/or loans are taken prior to age 66. The income may be tax-free when withdrawals up to basis are taken, and thereafter policy loans are taken. Withdrawals above basis are income taxable.

**For additional information, please contact your local John Hancock Representative or call the Advanced Markets Group at (888) 266-7498, option 3.**

1. Withdrawals and loans can reduce the policy death benefit and cash surrender value and may cause the policy to lapse. Lapse of a life insurance policy can cause the loss of the death benefit and potential adverse income tax consequences.
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Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration.



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John Hancock
LIFE INSURANCE


CLIENT PROFILE

INDIVIDUAL NEEDS | Advanced Markets

# Life Insurance in Retirement Planning *Plus*

## Using Life Insurance to Cover the Retirement Shortfall

| CLIENT PROFILE | |
|---|---|
| **Age:** | 35–55 |
| **Status:** | Client is saving for retirement, but is not sure if they are on track to meet their retirement goals. |
| **Concern:** | Retirement planning; protecting family from premature death. |

### Situation

- Client is trying to manage current protection needs and also save more for retirement.

### Solution

The Life Insurance in Retirement Planning Plus (LIRP Plus) approach demonstrates how the efficiency of a cash value life insurance policy — that provides valuable tax-free death benefit protection for a growing family during an insured's working years — can also be designed so that the cash values in the policy generate tax-favored income at retirement to potentially fund a retirement income shortfall.

The LIRP Plus JH Solutions module calculates the client's retirement income shortfall based on their current retirement accounts and savings. The proposal illustrates the power of cash value life insurance in retirement planning and highlights the importance of death benefit protection for their family.

### Benefits

- Life insurance can increase the amount left to heirs.
- Life insurance provides an income tax-free death benefit.[1]
- The life insurance policy cash value grows on a tax-deferred basis.
- Life insurance, depending on the state, can offer creditor protection.
- Withdrawals from insurance policies are not mandatory and may occur at any time or not at all, unlike distributions from qualified retirement plans which may be subject to an early withdrawal penalty at age 59½ and/or mandatory distributions at age 70.

### Considerations

- The purchase of life insurance has costs and risks associated with it, including the cost of insurance, and charges associated with variable life insurance, including withdrawal charges, are usually higher than those associated with Roth and Traditional IRAs.
- Withdrawals and loans from a Modified Endowment Contract (MEC) may be subject to tax at the time the withdrawal or loan is made. A federal tax penalty may also apply if the withdrawal or loan is taken from a MEC prior to age 59½.
- Withdrawals and loans may have the effect of reducing the death benefit and cash values and may cause the policy to lapse and result in adverse tax consequences.
- Additional risks are associated with Variable Universal life insurance.

Use JH Solutions to obtain a retirement income shortfall proposal for your client. You can also visit our microsite to illustrate your client's shortfall online! www.jhretirementcalculator.com.

## CASE STUDY

**CLIENTS:** Marjorie Moore, Female, Preferred Non Smoker, Age 40, Massachusetts Resident, two children. She needs life insurance to cover daycare costs, mortgage and college funding goals. Based on her retirement savings below, she has a shortfall of $91K to meet her desired retirement income.

The proposed strategy is to purchase a John Hancock VUL policy growing at an assumed 6.30% net rate after taxes and fund expenses. Assuming the policy earns this rate annually, the premium on a $1,077,000 initial face amount is approximately $29,900 for 25 years. The policy is designed so that the death benefit increases every year based on the cash values until her age 65. At age 66, Marjorie can begin to take tax-free withdrawals and loans of roughly $91,000, indexed by 1.5% inflation annually until age 100.

| Potential Income Analysis | |
|---|---|
| **Approximate Figures Today** | |
| **Qualified Plan Balance:** | **$147,000** |
| Ongoing Annual Contributions | $22,000 |
| Assumed Growth Rate | 7.0% |
| **Non-Qualified Savings Balance:** | **$25,000** |
| Ongoing Annual Contributions | $6,500 |
| Assumed Growth Rate | 2.0% |
| Other Expected Retirement Income | $24,000 |
| **Approximate Figures at Retirement (Age 65)** | |
| **Qualified Plan Balance:** | **$2,200,000** |
| After-Tax Withdrawals available for 35 years | $83,000 |
| **Non-Qualified Savings Balance:** | **$250,000** |
| After-Tax Withdrawals available for 35 years | $7,800 |
| Other Expected Retirement Income | $35,000 |
| Total Projected Retirement Income | $126,000 |
| **Income Analysis at Retirement** | |
| Desired Retirement Income ($150,000 adjusted for 1.5% inflation) | **$218,000** |
| Projected Income From Existing Assets | $126,000 |
| Potential Shortfall | $91,000 |
| **Potential Annual Life Insurance Distributions** | **$91,000** |
| **Potential Retirement Income with Life Insurance** | $218,000 |

The figures used in this case study are hypothetical, for discussion purposes only, are not guaranteed and may not be used to project or predict results. Actual results may be more or less favorable. Specific product and policy elements would be found in a policy illustration provided by an insurer. With any decision regarding the purchase of life insurance, a client would need to determine which type of life insurance product is most suitable for their specific needs.

1. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.



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Qualify Your Client Database:

# Wealthy Family

While life insurance is designed to provide a death benefit to beneficiaries, your clients' needs may extend even further. Use this worksheet to identify clients that could qualify in the **Wealthy Family** category as well as the questions and sales concepts that may be the right fit for them.

**If your clients:**

- Have a need for death benefit protection
- Have $2MM net worth
- Have family or are charitably inclined
- Are 55 years of age or older

...then they may fit into the Wealthy Family category.

**Primary Sales Concepts to consider for individuals in this category include:**

- Legacy Building
- Smart Money
- Estate Planning

**Good questions to ask these clients might be:**

- How do you plan on leaving a legacy for your children, grandchildren, favorite charities and other beneficiaries?
- Do you have funds that in your mind already set aside for passing on to your heirs at your death?
- Do you have money sitting in money markets or savings accounts?
- Do you need death benefit protection, access to your funds, plus potentially better returns?


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**Please list the names of your clients who fit the above descriptions and whom you would like to approach:**

| First Name, Last Name | Age |
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North American Company for Life and Health Insurance Since 1886 | Life

## Qualify Your Client Database:

# High Income Earner

While life insurance is designed to provide a death benefit to beneficiaries, your clients' needs may extend even further. Use this worksheet to identify clients that could qualify in the **High Income Earner** category as well as the questions and sales concepts that may be the right fit for them.

**If your clients:**

- Have a need for death benefit protection
- Are a professional
- Earn a six figure income
- Are 55 years of age or younger

…then they may fit into the High Income Earner category.

**Primary Sales Concepts to consider for individuals in this category include:**

- Income Protection
- Retirement Planning
- Policy Review
- College Planning

**Good questions to ask these clients might be:**

- How are you protecting the lifestyle your family is accustomed to?
- Did you know life insurance had tax advantages 50 to 60 years before anyone thought of IRA's, 401(k)'s or other retirement strategies?[1]
- What if you could implement a secondary retirement strategy that provided flexibility to help you time your distributions and minimize exposure to taxes?[1]

**Please list the names of your clients who fit the above descriptions and whom you would like to approach:**

| First Name, Last Name | Age |
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1. Neither North American nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

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Since 1886

Life

## Qualify Your Client Database:

# Family Planning

While life insurance is designed to provide a death benefit to beneficiaries, your clients' needs may extend even further. Use this worksheet to identify clients that could qualify in the **Family Planning** category as well as the questions and sales concepts that may be the right fit for them.

**If your clients:**

- Have a need for death benefit protection
- Have a spouse and children
- Are family oriented
- Would be considered middle to upper income

...then they may fit into the Family Planning category.

**Primary Sales Concepts to consider for individuals in this category include:**

- Policy Review
- Income Replacement
- College Planning

**Good questions to ask these clients might be:**

- When was the last time you reviewed your life insurance, savings, retirement plans? Who conducted the review?
- Do you feel that your existing policies are adequate in amounts and type of coverage?
- Were you aware that life insurance cash values can be used to help fund startup businesses, retirement, and even college tuition?


444NM-4 3/17

**Please list the names of your clients who fit the above descriptions and whom you would like to approach:**

| First Name, Last Name | Age |
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# RetireSense®
# Retirement Income Fact Finder

Nationwide®

Date:______________________

**Complete this form and return it to your investment professional. Contact him/her with any questions you may have.**

| Your Information | | |
|---|---|---|
| First name: | MI: | Last name: |
| Sex: ☐ Male ☐ Female | Date of birth (mm/dd/yyyy): | State of residence: |

| Your Spouse's Information (if applicable) | | |
|---|---|---|
| First name: | MI: | Last name: |
| Sex: ☐ Male ☐ Female | Date of birth (mm/dd/yyyy): | State of residence: |

## Your Income From Existing Sources (if applicable)

Please list the annual amount of income you expect to receive from the following income sources, the age you expect to start receiving this income and if there will be a cost-of-living adjustment applied to this income.

| Income type | Income start age | Annual income | Cost-of-living adjustment |
|---|---|---|---|
| Social Security | | $ | ☑ Yes — Automatically applied to Social Security income payments |
| Defined benefit pension plan | | $ | ☐ Yes ☐ No |
| Other permanent income (e.g., total other lifetime income such as rental income, dividends, annuities, etc.) | | $ | ☐ Yes ☐ No |

## Your Spouse's Income From Existing Sources (if applicable)

Please list the annual amount of income your spouse expects to receive from the following income sources, the age your spouse expects to start receiving this income and if there will be a cost-of-living adjustment applied to this income.

| Income type | Income start age | Annual income | Cost-of-living adjustment |
|---|---|---|---|
| Social Security | | $ | ☑ Yes — Automatically applied to Social Security income payments |
| Defined benefit pension plan | | $ | ☐ Yes ☐ No |
| Other permanent income (e.g., total other lifetime income such as rental income, dividends, annuities, etc.) | | $ | ☐ Yes ☐ No |

(continued on next page)

| First name: | MI: | Last name: |
|---|---|---|

## Retirement Assets

Please list the wealth your household expects to accumulate by the time you retire for the following categories. If planning as a couple, please list your combined current assets.

| Account/Plan type | Current balance | Annual contribution |
|---|---|---|
| 401(k) | $ | $ |
| 403(b) | $ | $ |
| 457 | $ | $ |
| Annuity | $ | $ |
| Bonds | $ | $ |
| Cash | $ | $ |
| CD | $ | $ |
| ETFs (exchange-traded funds) | $ | $ |
| IRA | $ | $ |
| Keogh | $ | $ |
| Mutual Funds | $ | $ |
| Roth IRA | $ | $ |
| SEP IRA | $ | $ |
| Stocks | $ | $ |
| Other (please specify) | $ | $ |
| Assumed growth rate of current assets in pre-retirement (choose from 0% – 8%) | % | |

## Household Income Needs

| | |
|---|---|
| Expected retirement age: | Expected length of retirement (minimum 10 years): |
| Spouse's expected retirement age: | Spouse's expected length of retirement (minimum 10 years): |
| Target annual income: $ | Part of income required to cover essential needs (food, housing, etc.): $ |

## Retirement Risk Assessment

Indicate which of the following risks are of more concern to you. Include your spouse if applicable.

| | | | |
|---|---|---|---|
| Are you more concerned about the possibility of losses on investments (**market losses**) or the possibility of money losing buying power in the future (**inflation**)? | ☐ More concerned by market losses | ☐ Equally concerned by market losses and inflation | ☐ More concerned by inflation |
| Are you more concerned about the possibility of leaving a surviving spouse or dependents with inadequate income (**early mortality**) or the possibility of needing income for a very long time (**longevity**)? | ☐ More concerned by early mortality | ☐ Equally concerned by early mortality and longevity | ☐ More concerned by longevity |

| First name: | MI: | Last name: |
|---|---|---|

## Additional Planning Needs

| | |
|---|---|
| **Social Security:** For a typical married couple, the difference between filing for Social Security early or utilizing an optimal Social Security strategy could be over $300,000 in their lifetime retirement income.[1]<br>Would you like to speak to an advisor about Social Security? | ☐ Yes ☐ No |
| **Long-term care:** The Center for Medicare & Medicaid Services estimates that 70% of people over 65 will need some type of long-term care[2] and the average cost of services in today's dollars is approaching $250,000.[3]<br>Would you be interested in learning more about planning for this need? | ☐ Yes ☐ No |
| **Health care:** It's estimated that an average 65-year-old couple over a 20-year retirement will incur around $220,000 in health care expenses separate from long-term care expenses.[4]<br>Would you be interested in learning more about planning for this need? | ☐ Yes ☐ No |

[1] Assumes a 62-year-old married couple with life expectancy of 83 (man) and 86 (woman). Primary insurance amounts are $2,400 and $1,300 respectively. Benefits based on future value dollar amounts and 2.5% annual cost-of-living adjustments (COLA). Individual calculations may vary.

[2] *2014 Medicare & You*, National Medicare Handbook, Centers for Medicare & Medicaid Services, September 2013.

[3] Genworth Cost of Care Survey, 2013. Represents today's dollars and does not factor for inflation.

[4] *How to tame retiree health care costs*, Fidelity Investments, May 2013.

PLEASE PROVIDE TO YOUR INVESTMENT PROFESSIONAL. HE/SHE WILL COMPLETE THE REMAINING INFORMATION.

| First name: | MI: | Last name: |
|---|---|---|

**INVESTMENT PROFESSIONAL: COMPLETE THE REMAINING INFORMATION.**

## Income Needs Summary

| | |
|---|---|
| Assumed average inflation rate in retirement (0% – 5%) | % |
| Minimum probability of success: | ☐ 70% ☐ 80% ☐ 90% |

## Investment Professional's Information

| | | |
|---|---|---|
| First name: | MI: | Last name: |
| Broker/Dealer: | | |
| Email: | Phone #: | Fax #: |

**INVESTMENT PROFESSIONAL:**

If you have any questions, contact the Retirement Institute Income Planning Team:
Phone: 1-877-245-0763 | Email: IPLNDESK@nationwide.com | Fax: 1-855-256-4220

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Nationwide Investment Services Corporation, member FINRA.



NFM-4213AO.8 (09/16)

# RetireSense®
# Retirement Income Strategy

Date:______________________

**How much retirement income will you need?** You may have a better idea if you start by sorting expenses into two categories: essentials and extras. Enter these expenses on the worksheet below. If you're planning as a couple, list your combined totals. Inflation may increase these amounts over time, but your RetireSense analysis will factor that in for you.

| Expected Annual Expenses/Income Need | Essential Annual Expenses (What you need to spend) | Extra Annual Expenses (The extra you'd like to spend) |
|---|---|---|
| **SHELTER** (National annual average[1] = $14,204) | | |
| Mortgage/rent (add fees and insurance, if it isn't included in mortgage or rent) | $ | $ |
| Property taxes | $ | $ |
| Home improvements/repair/maintenance | $ | $ |
| Household furnishing and equipment | $ | $ |
| Housekeeping services and supplies | $ | $ |
| Other (e.g., vacation homes, hotels, motels) | $ | $ |
| **Total Shelter** | $ 0.00 | $ 0.00 |
| **UTILITIES** (National annual average[1] = $3,480) | | |
| Natural gas/oil | $ | $ |
| Electricity | $ | $ |
| Telephone services (including cell phone) | $ | $ |
| Water and sewer | $ | $ |
| Other (e.g., trash collection, cable, Internet) | $ | $ |
| **Total Utilities** | $ 0.00 | $ 0.00 |
| **TRANSPORTATION** (National annual average[1] = $6,760) | | |
| Vehicle purchase (loan or lease payment) | $ | $ |
| Gasoline/motor oil | $ | $ |
| Vehicle insurance | $ | $ |
| Vehicle repairs/maintenance | $ | $ |
| Public transportation (e.g., bus, taxi, train, airline) | $ | $ |
| Other (e.g., vehicle rental, leases, licenses) | $ | $ |
| **Total Transportation** | $ 0.00 | $ 0.00 |
| **FOOD/PERSONAL** (National annual average[1] = $9,349) | | |
| Food — groceries/eating out | $ | $ |
| Clothing (apparel and services) | $ | $ |
| Personal care (e.g., cosmetics, haircut, manicure) | $ | $ |
| Entertainment | $ | $ |
| Other (e.g., reading, education) | $ | $ |
| **Total Food/Personal** | $ 0.00 | $ 0.00 |

[1] National averages are based on data for individuals 65 years and over from the Bureau of Labor Statistics 2013 Consumer Expenditure Survey (U.S. Dept. of Labor).

(continued on next page)

| Expected Annual Expenses/Income Need | Essential Annual Expenses (What you need to spend) | Extra Annual Expenses (The extra you'd like to spend) |
|---|---|---|
| **HEALTH CARE** (National annual average[1] = $5,069) | | |
| Health insurance (medical/dental/other) | $ | $ |
| Other insurance (life/long-term care/disability) | $ | $ |
| Medications (prescription and over-the-counter) | $ | $ |
| Co-pays | $ | $ |
| Medical services (e.g., dental/vision/ hearing services) | $ | $ |
| Assistance with daily living (e.g., long-term care facilities, in-home care, hospice) | $ | $ |
| Total Health Care | $ 0.00 | $ 0.00 |
| **DEBT PAYMENTS** | | |
| Home equity loan | $ | $ |
| Credit cards | $ | $ |
| Other debt payments | $ | $ |
| Total Debt Payments | $ 0.00 | $ 0.00 |
| **MISCELLANEOUS** | | |
| Support of family (parents, children, etc.) | $ | $ |
| Charitable contributions | $ | $ |
| Personal taxes | $ | $ |
| Other | $ | $ |
| Total Miscellaneous | $ 0.00 | $ 0.00 |

| Total | A. Essential Annual Expenses (What you need to spend) | B. Extra Annual Expenses (The extra you'd like to spend) |
|---|---|---|
| Total Expected Annual Expenses | $ 0.00 | $ 0.00 |
| Total Target Income (A + B) | $ 0.00 | |

Remember to use this figure in the Household Income Needs section of the **Retire***Sense* Retirement Income Fact Finder (NFM-4213AO).

| Anticipated Income Sources | Social Security[2] $ Amount/Year | Pension and/or Other Sources $ Amount/Year |
|---|---|---|
| Total Expected Annual Income | $ | $ |

[2] December 2014 Social Security Average Annualized Benefits for retired workers 65+ was $15,942. Source: Social Security Administration, Master Beneficiary Record, 100 percent data.

## Provide this completed form to your investment professional to have a customized RetireSense analysis run for you.

Nationwide®

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

The information collected on this fact finder will be kept confidential. For more information on how Nationwide protects your personal information, visit our online privacy policy at http://www.nationwide.com/privacy-security.jsp

This material is not a recommendation to buy, sell, hold or rollover any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition, or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

Federal income tax laws are complex and subject to change. The information in this worksheet is based on current interpretations of the law and is not guaranteed. Nationwide and its representatives do not give tax, legal or financial advice. Please consult your attorney or tax advisor for answers to specific questions.

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NFM-7715AO.5 (09/16)

Lincoln Financial Group®

You're In Charge®

**Wealth**Protection Expertise℠

# Rethinking retirement income

## With a healthy income strategy

LINCOLN VARIABLE ANNUITIES

## 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
Lincoln Life & Annuity Company of New York

1224332

# How healthy is your retirement income plan?

The retirement landscape is changing. What worked in the past may not work in the future. You need a retirement plan that's both flexible and reliable — a plan that helps protect your lifestyle and can last your lifetime. To get your income strategy on the road to wellness, you need the right approach.

## Retirement income risks and their side effects

### 1 Longevity

Your retirement could last 20 to 30 years or more, meaning you could outlive your retirement income.

### 2 Inflation

The rising cost of everyday products could diminish your purchasing power.

### 3 Taxes

Without a sound tax strategy, you may end up paying more in taxes than anticipated and have less to spend in retirement.

## Watch out for income headaches

Low rates for fixed-income investments can create a challenge for those taking income now or in the near future. If you're currently invested heavily in fixed-income investments and seek additional diversification (remember that diversification does not assure a profit or protect against loss) or market exposure, consider your options.

One income option is a variable annuity. Variable annuities are long-term investment products that offer a lifetime income stream, access to leading investment managers, options for guaranteed growth and income (available for an additional charge), and death benefit protection.

To decide if a variable annuity is right for you, consider that its value will fluctuate; it is subject to investment risk and possible loss of principal; and there are associated costs such as mortality and expenses, administrative and advisory fees. All guarantees, including those for optional features, are subject to the claims-paying ability of the issuer. Limitations and conditions apply.

## Finding your healthy balance

Asset allocation can be one of the most important factors in determining the long-term success of your portfolio. While diversifying your investments cannot guarantee profits or protection against loss, this strategy may help minimize overall risk in your portfolio by lessening the effect of market downturns (or interest rate upturns).

## A healthy mix

The right balance is one of the keys to a successful retirement income strategy. If you're too heavily invested in lower-risk investments, there's a chance you could run out of income in retirement. However, too much in stocks can be more risky.

**Chances your retirement income will last 25 years with a 5% withdrawal rate:***

**32%** with 100% bonds

**77%** with 100% stocks

**79%** with 50/50 mix


## Doctor's orders

Even a more conservative portfolio mix and annual withdrawal rate won't ensure a healthy, happy lifetime of income. Only time will tell if you've made the decisions that are best for you. Consider protecting your retirement income by including a guarantee in your portfolio (guarantees may be subject to limitations and conditions). Making the right choices today can help steer your retirement income in the right direction tomorrow.

*Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. It is assumed that a person retires at year zero and withdraws an inflation-adjusted percentage of the initial portfolio wealth each year beginning in year one. Annual investment expenses were assumed to be 0.76% for stock mutual funds and 0.61% for bond mutual funds.

Government bonds are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest, while returns and principal invested in stocks are not guaranteed. Diversification does not eliminate the risk of experiencing investment losses. Holding a portfolio of securities for the long-term does not ensure a profitable outcome and investing in securities always involves risk of loss, including the risk of losing the entire principal.

Stocks in this example are represented by the Standard & Poor's 90 Index from 1926 through February 1957 and the S&P 500 Index thereafter, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. Bonds are represented by the five-year U.S. government bond, inflation by the Consumer Price Index, and mutual fund expenses from Morningstar. An investment cannot be made directly in an index. The data assume reinvestment of income and do not account for taxes. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. 

# Fixed-income investments: A low dose of returns in today's market

## Inflation and taxes water down CD return rates

Certificates of deposit (CDs) are often used for protection from volatile markets. However, after factoring in taxes and inflation, investors with money in CDs often discover that the tradeoff for stability is often years of minimal or negative returns. What this means is that CDs may not be able to keep pace with inflation or provide the growth most investors need to reach their retirement goals.

**Real return of a CD**

| Year | CD rate | Inflation Rate | Highest marginal tax bracket | After-tax CD return |
|---|---|---|---|---|
| 2010 | 0.70% | 1.60% | 35.0% | 0.48% |
| 2011 | 0.50% | 3.20% | 35.0% | 0.29% |
| 2012 | 0.30% | 2.10% | 35.0% | 0.20% |
| 2013 | 0.20% | 1.50% | 35.0% | 0.14% |
| 2014 | 0.20% | 1.60% | 39.6% | 0.13% |

Source: FRED, Federal Reserve Economic Data from March 5, 2015, Federal Reserve Bank of St. Louis.

Because of the inherent safety and short-term nature of CDs, yields are often lower than other, higher risk investments. Combine that with the impact of taxes and inflation on CD returns to see that the cost of "playing it safe" may not always pay in the long run.

CDs are insured up to $250,000 under the Federal Deposit Insurance Corporation (FDIC), offer a fixed rate of return, and may be subject to fluctuating rates and early withdrawal penalties. They also may be subject to inflation, principal, default and call risks.

# Key differences between bonds and variable annuities

No matter how you invest your money, risk cannot be completely avoided, but you can take a thoughtful approach to it. You should consider investments that are suitable for you and make decisions based on your needs and risk tolerance.

Below is a comparison of two types of investments: bonds (fixed income) and variable annuities (variable income).

## Variable annuities

Long-term investment products designed for retirement savings; essentially insurance contracts with an investment component.

### Charges

– Products may have investment management fees; mortality and expense charges; charges for optional guarantee features; administrative, advisory or annual fees; or surrender or sales charges.

### Risks

– Market volatility risk (based on the investment options chosen)

– Possible loss of principal

– Guarantees and contractual obligations are subject to the claims-paying ability of the appropriate issuing company.

### Taxes

– Growth within the contract accumulates tax-deferred.

– A portion of lifetime income isn't taxed until the principal is returned.

– Earnings are taxed as ordinary income when withdrawals are made.

– Withdrawals taken prior to age 59½ may be subject to 10% federal tax penalty.

### Additional features

– Lifetime guarantees

– Death benefits

– Diversification opportunities

## Bonds

Short-, medium- or long-term investment products designed to provide regular fixed income.

### Charges

– Bondholders will generally pay transaction charges.

### Risks

– **Interest rate risk:** Rising rates make it difficult to sell existing bonds; falling rates make it difficult to replace income.

– **Inflation risk:** Because a bond's income payments are fixed, it loses value when inflation occurs.

– **Default risk:** Bond quality ratings are based on the financial stability of the issuer.

### Taxes

– Interest is generally taxed as ordinary income when payments are received.

– Capital gains taxes may be due.

– No federal tax is due on municipal bond income.

– No state or local tax is due on federal government obligations.

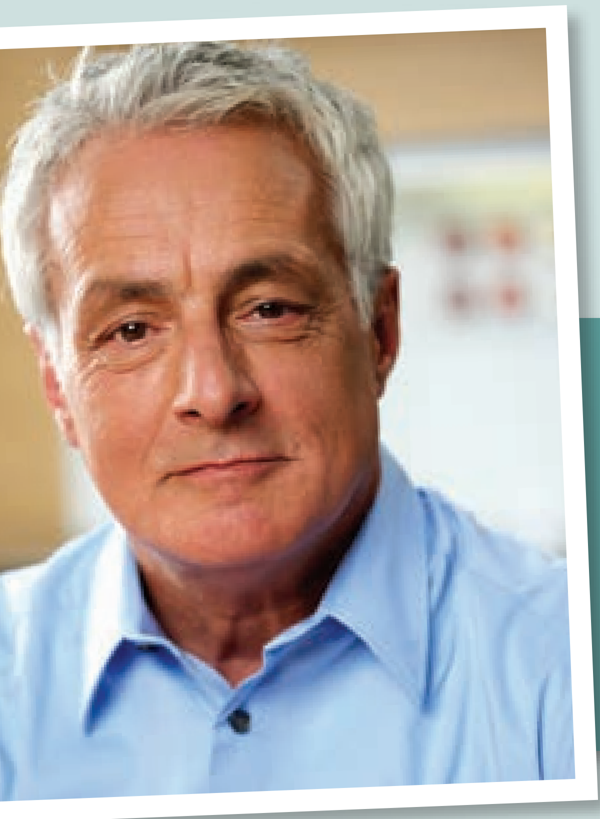
– There are no age restrictions for taking income.

### Additional features

– Return principal at maturity

CDs are also a popular type of fixed-income investment but unlike bonds, there is less chance that they would be locked into maturity periods spanning decades.

# Breathe easier with a healthy income strategy



## Hypothetical case study

Now that Ken is no longer working, he's concerned about the steady, reliable stream of income he needs to maintain his retirement lifestyle. He thought he had a good plan in place, but recent events have made him rethink his retirement income strategy. By applying the same approach to his retirement income as he does to his health, Ken realizes his portfolio needs to strike a better balance.

With guidance from his financial advisor, Ken used $500,000 of after-tax money to purchase a Lincoln variable annuity with *i4LIFE*® Advantage GIB, an optional living benefit rider.

### Ken Bonds

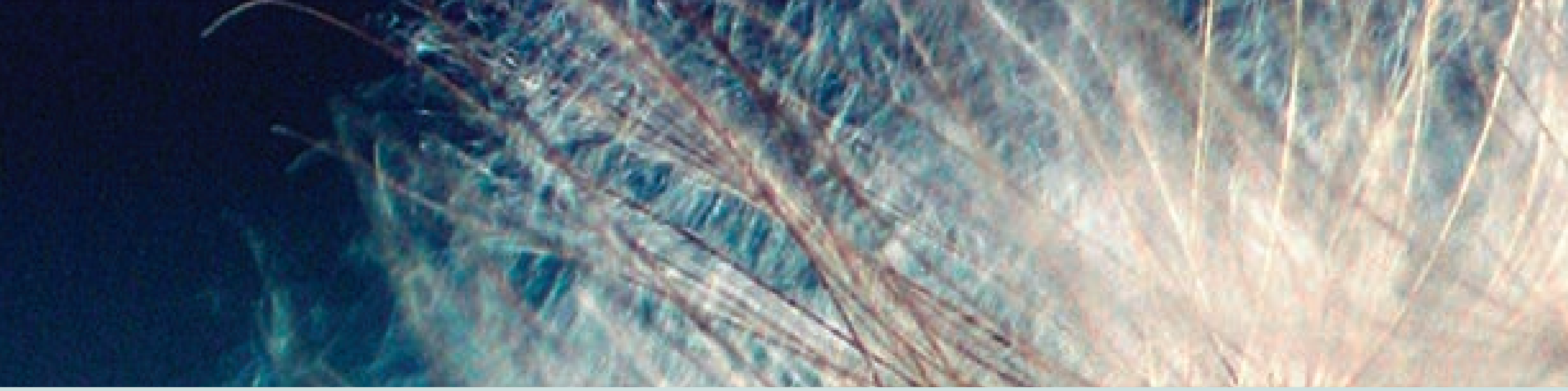
- **Ken Bonds, age 70, recently had $500,000 of his $1 million portfolio of long-term maturity bonds called.**
- **He's concerned about reinvesting this money in fixed income because current bond rates are low.**
- **He knows that diversifying his portfolio into the equities market could provide opportunities for growth, but he also wants to protect his income from volatility while keeping pace with inflation.**

### By having a Lincoln variable annuity with *i4LIFE* as a part of his retirement income strategy, Ken may receive:

| Lifetime income | Flexibility | Death benefit |
|---|---|---|
| Payments will continue for the rest of Ken's life —guaranteed. | Because Ken retains control of his assets, he can make additional withdrawals.* | Ken's beneficiaries can receive a death benefit. |
| **Growth potential** | **Control of taxes** | **Downside protection** |
| Payments can grow based on Ken's investment results. | $22,500 (73%) of the first payment represents the nontaxable return of principal. | With the GIB, Ken will always receive a guaranteed minimum payment. |

*Available during the Access Period. Additional withdrawals reduce the cost basis, account value, death benefit, and income payments proportionately, and are subject to ordinary income tax to the extent of the gain. At certain broker-dealers, annuitization for nonqualified and stand-alone qualified contracts must occur by the annuitant's age 95.

Guarantees may be subject to limitations and conditions.



Lincoln Financial Group®

Pay to the order of Ken Bonds

First check: $30,822

Worst check: $25,000

For Lifetime income

The appropriate Lincoln issuing company

Please refer to pages 6 & 7 for a complete illustration of Ken's scenario.

This example is for illustrative purposes only and does not represent an actual investment. Assuming a 35% tax bracket, 73% of Ken's first payment ($22,500) is nontaxable as determined by the IRS. The remaining amount is to be taxed at Ken's tax bracket (35% in this example) and subtract that from the check amount to calculate the amount after taxes.

## Ken's first check after taxes:

# $27,909

## Equivalent return needed from fully taxable investment:

# 8.59%

## Ken's worst check after taxes:

# $24,125

## Equivalent return needed to match floor:

# 7.42%

*i4LIFE* Advantage GIB is available for an additional annual charge of 1.05% above standard contract expenses for single life or 1.25% for joint life (2.00% maximum annual charge for GIB). After the Access Period ends, payments will continue on a lifetime basis, but you will no longer have access to your assets or a death benefit. The tax-exclusion amount varies by age and applies only until the original cost basis in the contract has been recovered.

# Income with *i4LIFE*® Advantage

In this example, Ken maximized his income potential by investing in a Lincoln variable annuity with *i4LIFE* Advantage GIB.

The five investment options that these illustrations use are listed with their performance on page 8 and were chosen based on the funds' assets under management and investment requirements. This illustration shows how the performance of the underlying investment accounts could affect the policy cash value and death benefit. This may not be used to project or predict investment results.

## Ken's protected income

The GIB guarantees Ken a minimum payment. His future *i4LIFE* Advantage payments will never be less than his first protected payment (provided he does not take additional withdrawals).

### *i4LIFE* Advantage GIB age bands

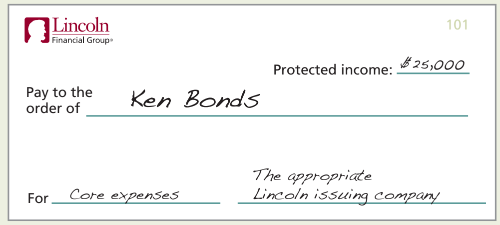
| Percentage of account value for initial GIB | |
|---|---|
| Single | |
| Age | % |
| Under 40 | 2.50% |
| 40–54 | 3.00% |
| 55–59½ | 3.50% |
| 59½–64 | 4.00% |
| 65–69 | 4.50% |
| 70–79 | 5.00% |
| 80+ | 5.50% |

When Ken's total income reaches a new high in subsequent years, his GIB payment (as long as it exceeds the current GIB) will automatically step up to 75% of that amount.

If transitioning from *Lincoln Lifetime Income*℠ Advantage 2.0 to *i4LIFE* Advantage, an *Income4Life*® feature, the initial GIB amount equals a percentage of the account value or the Income Base (less allowable withdrawals), whichever is greater.

**This table is for illustrative purposes only. Past performance does not guarantee future results.** The cumulative returns represent the cumulative annualized return for the illustration period. The annual returns shown reflect the deduction of all applicable contract fees and charges. This includes a maximum 1.30% mortality and expense risk charge and administrative fee, and a 1.05% charge for *i4LIFE* Advantage GIB. There are also investment management fees and expenses as well as a 12b-1 distribution fee. It does not reflect any state premium tax deducted upon surrender. Specific fees and expenses can be found in the prospectus.

## Ken's *i4LIFE* Advantage payments will increase if the return exceeds **4%** net of the annuity fees and expenses, the "assumed investment return."




### *i4LIFE* Advantage

| Age | Period ending | Account value | Annual returns | Protected income (GIB)* | Additional income (over GIB)* | Total income* | Nontaxable income | Death benefit |
|---|---|---|---|---|---|---|---|---|
| at issue | | $500,000 | | **$25,000** | $5,822 | $30,822 | **$22,500** | **$500,000** |
| 70 | 12/03 | $576,690 | **22.22%** | $27,289 | **$9,097** | **$36,386** | **$22,500** | **$576,690** |
| 71 | 12/04 | $588,044 | **8.57%** | $28,524 | **$9,508** | **$38,032** | **$22,500** | **$588,044** |
| 72 | 12/05 | $562,034 | 2.12% | $28,524 | $8,799 | $37,323 | **$22,500** | **$562,034** |
| 73 | 12/06 | $572,875 | **8.89%** | $29,349 | **$9,783** | **$39,132** | **$22,500** | **$572,875** |
| 74 | 12/07 | $559,483 | **4.66%** | $29,543 | **$9,847** | **$39,390** | **$22,500** | **$559,483** |
| 75 | 12/08 | $361,011 | -29.62% | $29,543 | - | $29,543 | **$22,500** | **$361,011** |
| 76 | 12/09 | $408,125 | 22.19% | $29,543 | $1,193 | $30,736 | **$22,500** | **$408,125** |
| 77 | 12/10 | $417,833 | 10.32% | $29,543 | $3,130 | $32,673 | **$22,500** | **$417,833** |
| 78 | 12/11 | $378,397 | -1.69% | $29,543 | $1,276 | $30,819 | **$22,500** | **$378,397** |
| 79 | 12/12 | $388,492 | 11.30% | $29,543 | $3,526 | $33,069 | **$22,500** | $388,492 |
| 80 | 12/13 | $397,487 | 11.34% | $29,543 | $5,959 | $35,502 | **$22,500** | $397,487 |
| 81 | 12/14 | $368,292 | 1.67% | $29,543 | $5,128 | $34,671 | **$22,500** | $368,292 |
| | | **Cumulative: 5.53%** | | **$375,030** | **$73,068** | **$448,098** | **$292,500** | |

*Income available for the subsequent year. In some states payment may be slightly lower due to payout rates.

1 Guaranteed lifetime income

2 Growth potential

3 Nontaxable income

4 Legacy planning

This optional feature is available with a Lincoln variable annuity for an additional annual charge of 1.05%, or 1.25% for joint coverage, above standard contract expenses (maximum annual charge of 2.00% for GIB). Additional withdrawals taken before age 59½ may subject current and prior taxable distributions to an additional 10% federal tax. Investment requirements apply for the GIB. Please see the prospectus for details.

At certain broker-dealers, annuitization for nonqualified and stand-alone qualified contracts must occur by the annuitant's age 95.

# Fund performance

The illustrations shown in this brochure are intended to show the mechanics of a *Lincoln ChoicePlus Assurance*℠ variable annuity. The five funds below were used for the preceding illustrations and were chosen based on the funds' assets under management and investment requirements (15% LVIP BlackRock Equity Dividend Managed Volatility Fund, 30% LVIP Delaware Bond Fund, 20% LVIP JPMorgan Mid Cap Value Managed Volatility Fund, 20% LVIP Templeton Growth Managed Volatility Fund, 15% LVIP UBS Large Cap Growth Managed Volatility Fund). There are several funding options available. Investors should consider their financial objectives, risk tolerance and time horizon to adjust their funding options and allocation accordingly. Keep in mind, asset allocation and diversification do not guarantee a profit or eliminate the risk of investment loss.

**Performance is as of June 30, 2015**

| Nonstandard performance without surrender* | Year to date | 1 year | 5 years | 10 years | Since inception |
|---|---|---|---|---|---|
| LVIP BlackRock Equity Dividend Managed Volatility Fund | -3.75% | -3.75% | 8.78% | 2.51% | 5.98% |
| LVIP Delaware Bond Fund | -0.68% | -0.07% | 2.36% | 3.37% | 6.65% |
| LVIP JPMorgan Mid Cap Value Managed Volatility Fund | -1.50% | 0.02% | 12.36% | 4.43% | 6.02% |
| LVIP Templeton Growth Managed Volatility Fund | 0.69% | -6.75% | 9.30% | 4.33% | 6.92% |
| LVIP UBS Large Cap Growth Managed Volatility Fund | 0.24% | 2.91% | 10.43% | 4.89% | 5.64% |

| Nonstandard performance with surrender* | Year to date | 1 year | 5 years | 10 years | Since inception |
|---|---|---|---|---|---|
| LVIP BlackRock Equity Dividend Managed Volatility Fund | -10.75% | -10.75% | 8.06% | 2.51% | 5.98% |
| LVIP Delaware Bond Fund | -7.68% | -7.07% | 1.44% | 3.37% | 6.65% |
| LVIP JPMorgan Mid Cap Value Managed Volatility Fund | -8.50% | -6.98% | 11.72% | 4.43% | 6.02% |
| LVIP Templeton Growth Managed Volatility Fund | -6.31% | -13.75% | 8.59% | 4.33% | 6.92% |
| LVIP UBS Large Cap Growth Managed Volatility Fund | -6.76% | -4.09% | 9.74% | 4.89% | 5.64% |

| Standard performance with surrender† | | 1 year | 5 years | 10 years/since inception |
|---|---|---|---|---|
| LVIP BlackRock Equity Dividend Managed Volatility Fund | | -10.75% | 8.06% | 2.51% |
| LVIP Delaware Bond Fund | | -7.07% | 1.44% | 3.37% |
| LVIP JPMorgan Mid Cap Value Managed Volatility Fund | | -6.98% | 11.72% | 2.73% |
| LVIP Templeton Growth Managed Volatility Fund | | -13.75% | 8.59% | 0.28% |
| LVIP UBS Large Cap Growth Managed Volatility Fund | | -4.09% | 9.74% | 4.89% |

**Investors are advised to carefully consider the investment objectives, risks, and charges and expenses of the variable annuity and its underlying investment options before investing. The prospectus contains this and other important information about the variable annuity and the underlying investment options and should be read carefully before investing or sending money. Please call 888-868-2583 for a free prospectus.**

**There are several funding options available. Investors should consider their financial objectives, risk tolerance and time horizon to adjust their funding options and allocation accordingly. Keep in mind, asset allocation and diversification do not guarantee a profit or eliminate the risk of investment loss.**

**The performance data on this page represents past performance; past performance does not guarantee future results. Investment return and principal value will fluctuate so unit values, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please obtain the data for the most recent month end by calling 888-868-2583 or visiting our website at www.LincolnFinancial.com.** All three sets of performance results reflect *Lincoln ChoicePlus Assurance* variable annuity with a maximum 1.30% mortality and expense risk charge and administration fee, investment management fees and a $35 contract fee waived for contracts over $100,000. The surrender charge for the B-Share option is 7%, 7%, 6%, 6%, 5%, 4%, 3%, 0%.

*These returns are measured from the Fund inception date, which predates their offering as an investment option in the variable annuity. Therefore, they reflect performance.

†These returns are measured from the date that they were available as an investment option in the variable annuity.

Investments in the Funds are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46008 583 542 and its holding companies, including their subsidiaries or related companies, and are subject to investment risk, including possible delays in prepayment and loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the Series or Funds, the repayment of capital from the Series or Funds, or any particular rate of return.

# Healthy strategies for unique income situations

## Multigenerational income

You can stretch your assets for income in retirement and potentially create a legacy for your beneficiaries. With *i4LIFE*® Advantage, you can potentially create an income stream that may last long enough to span several generations with continued growth potential and the opportunity for increases in income.

## When a beneficiary isn't a spouse

Typically, we see annuities used to provide lifetime income for married couples. But what do you do when you want to share a lifetime income with your nonspouse relative, companion, domestic partner, friend or business partner? A possible solution is a Lincoln variable annuity with *i4LIFE* Advantage. For those looking for growth, and who don't need to take withdrawals right away, *4LATER*® Advantage, an optional feature available for an additional charge, can provide a base for future income that's guaranteed to grow.

## Taking income before age 59

According to the federal tax code, distributions from an immediate annuity are not subject to a pre-59½ tax. *i4LIFE*, when elected with nonqualified money and regular payments start within one year of contract purchase, qualifies as an immediate annuity. Unlike typical immediate annuities, Lincoln variable annuities with *i4LIFE* GIB provide lifetime income and access to account values, without incurring the 10% premature distribution tax.

## A lifetime gift

If you have assets to spare and are looking for a way to pass them on to a beneficiary, a Lincoln variable annuity with *i4LIFE* Advantage GIB may provide a guaranteed lifetime income for a loved one.

**Ask your financial advisor how a Lincoln variable annuity may work as part of your retirement income strategy.**

## 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 an independent advisor as to any tax, accounting, or legal statements made herein.

Variable annuities are long-term investment products designed for retirement purposes and are subject to market fluctuation, investment risk, and possible loss of principal. Variable annuities contain both investment and insurance components and have fees and charges, including mortality and expense, administrative, and advisory fees. Optional features are available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals of earnings are taxable as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value.

**Investors are advised to consider the investment objectives, risks, and charges and expenses of the variable annuity and its underlying investment options carefully before investing. The applicable variable annuity prospectus contains this and other important information about the variable annuity and its underlying investment options. Please call 888-868-2583 for a free prospectus. Read it carefully before investing or sending money. Products and features are subject to state availability.**

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| |
|---|
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| Not insured by any federal government agency |
| Not guaranteed by any bank or savings association |
| May go down in value |



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You're In Charge®

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Women and Investing

Advisor brochure

NATIONWIDE RETIREMENT INSTITUTE®

# Be the financial partner she's looking for

## A step-by-step guide to engaging women clients

In today's complicated financial world, affluent women at or near retirement are in search of the information and the people that can help them in their process of identifying and reaching their financial goals.

With the tools and strategies in this guide, we can help you both create and strengthen your relationships with this important group — providing you with the opportunity to be an integral resource along your female clients' journeys to financial enlightenment.

**It's your opportunity, too.**

## What to look for inside

1

**YOUR OPPORTUNITY**

# When you think about your top 10 client relationships, how many women are on your list?

For many years, women investors have been under-represented as clientele in the financial industry. Whether women gave the responsibility for investment decisions to their spouse or made the choice to work without an advisor, the new reality is that women are taking more control and seeking out more information to make financial decisions.

Women control
**$14 trillion**
in U.S. wealth[1]

*~ and ~*

are positioned to inherit
**$25 trillion**
by the year 2030[2]

By understanding your female clients' priorities, financial goals and attitudes about retirement, you can:

- **build strong relationships that last**
- **reduce the risk she'll seek out a new advisor**
- **grow your book of business**

[1] "Women now control more than half of US personal wealth, which 'will only increase in years to come," http://www.businessinsider.com/women-now-control-more-than-half-of-us-personal-wealth-2015-4, April 2015.

[2] "The $25 Trillion Cause: Reaching Out To Women," http://insurancenewsnet.com/innarticle/25-trillion-cause-reaching-women, July 2016.

# The new reality:

### Women's spending power is significant

Women control 2/3 or about **$12 trillion** in annual spending in the U.S.[3]

### More women than ever are participating in the workforce

57%

of women participate in the labor force[4]

### They'll be solely responsible for decisions

**80%** of women will be solely responsible for household financial decisions at some point in their lives[3]

### And yet, many women feel left out of the relationship with their advisor

70%

of women fire their financial advisor after the death of their spouse[5]

## Differing risks and challenges

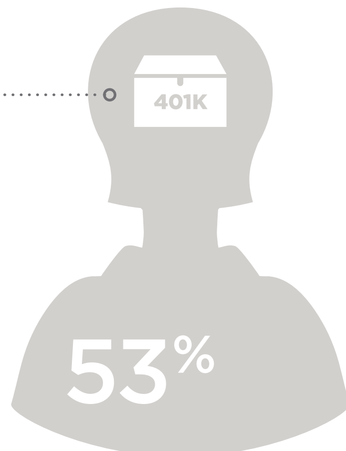
Your female clients face financial challenges that differ from those of their male counterparts. As her advisor, plan for the risks that will impact her differently:

**Longevity** — Many women risk outliving their retirement savings by only planning for 20 years when 1 in 4 women will live to age 92 or older.[6]

**Health care costs** — Health care costs, including long-term care, are often women's #1 concern about their retirement savings.[7]

**Social Security** — For unmarried women over 65 years old, including widows, Social Security comprises about 50% of their income.[8] Many women will file for Social Security early in their retirement, potentially reducing their benefit and the opportunity to increase the income Social Security provides.

**More women are paying for their retirements themselves**
53% of women expect to self-fund their retirement through 401(k) or other savings and investments.[9]




3 "Women are not a 'niche' market. They are a significant business opportunity: A Guide for Investment Professionals." https://www.pershing.com/assets/guidebooks/women_are_not_a_niche_market.html, March 2012.

4 U.S. Department of Labor, 2015.

5 "For some widows, breaking up with an advisor is easy to do." http://www.cnbc.com/2014/10/10/husbands-gone-widows-part-ways-with-advisors-too.html, October 2014.

6 LIMRA Retirement Income Reference Book, 2012.

7 Nationwide® Healthcare and Long Term Care Study, November 2014.

8 Social Security Administration fact sheet. http://www.socialsecurity.gov/news/press/factsheets/women.htm, March 2014.

9 14th Annual TransAmerica Retirement Survey of Workers, 2014.

2

**BUILD THE RELATIONSHIP**

# How well do you understand your female clients?

Building your relationship with female clients begins by acknowledging that they are a critical client group that requires specific attention, but, at the same time, shouldn't be pandered to or pigeon-holed.

As you work to strengthen your relationships with current clients or identify new clients, consider these suggestions:

- **Get to know your clients as individuals; it may be the most important consideration you need to make**
- **Modify your approach to account for possible differences in communication or decision-making styles**
- **Avoid preconceived models of "women investors" to make your prospecting even more successful**

## Identifying clients and prospects

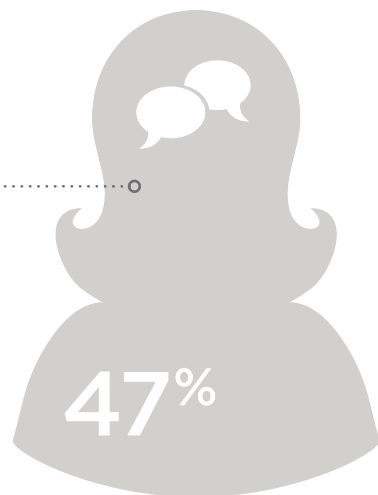
### Start with your existing book

- Target your most important relationships first
- Work to keep her business; identify couples where you have a less than equal relationship with the female clients; recommend that you meet with both spouses in the next meeting/conversation

### Begin the conversation

- Consider holding small group seminars for women about investing and retirement
- Take advantage of the opportunity to educate your client by sending her articles that may relate to her situation

A recent study reveals that 92% of women are eager to learn about financial planning, but **only 47% are confident talking about financial matters with a professional.**[10]




[10] Fidelity Investments Money, FIT Women Study, February 2015.

3

**TAILOR YOUR BUSINESS**

# Have you thought about the conversation she'd like to have?

We have the tools and resources to help you assess the needs of your current or newly identified female clients.

## Assess her needs

The conversation you have with a recent widow will be very different from the conversation you have with a woman who is considering starting her own business. Understanding and having a plan for the issues your female clients face can play a significant role in the confidence she has in you as her financial advisor.

Keep the insights highlighted below in mind as you meet and have discussions with your female clients.

COMMON RETIREMENT CONCERNS

### Outliving retirement savings

**Insight:**

Women only plan for 20 years of retirement — underestimating their income needs.[11]

**Conversation starter:**

- How do you feel about your current level of income?
- Would you like to use a retirement calculator to see how long your current assets will last?

**Topics to cover:**

- Solutions for guaranteed income
- Retirement goals

### Health care and long-term care (LTC)

**Insight:**

Women are frequently caregivers, sensitive to the need to provide for their own LTC; do not want to be a burden on their family.

**Conversation starter:**

- Would you like to better understand how much your health care may cost in retirement?
- Let's talk about how to keep you in your home for as long as possible.

**Topics to cover:**

- Health care
- Long-term care coverage for later years
- Local Medicare resources
- Retirement goals

### Social Security

**Insight:**

Social Security alone will not provide a comfortable retirement. Experts estimate that most people will need 70-90% of their current salary to maintain their lifestyle.[12]

**Conversation starter:**

- Did you know there are many ways to collect and maximize Social Security benefits?
- Let's talk about your plan for filing for Social Security.
- Let's talk about ways to add income to your retirement savings.

**Topics to cover:**

- Social Security
- Diversification strategies
- Retirement income gaps

[11] Nationwide Financial Retirement Institute Health Care and Long-term Care Costs in Retirement Consumer Survey, December 2013.

[12] United States Department of Labor, "Top 10 Ways to Prepare for Retirement." http://www.dol.gov/ebsa/publications/10_ways_to_prepare.html, June 2015.

## Divorce

**Insight:**

Only 1% of women believe they will get divorced in retirement; in reality 14% will, potentially impacting her retirement and estate.[13]

**Conversation starter:**

- Let's talk about retirement benefits as possible marital assets.
- Did you know you may be able to collect from your ex-husband's Social Security benefit?
- Let's make sure you have enough resources to live on.

**Topics to cover:**

- Asset identification
- Estimating immediate needs and future earning potential
- Tax implications of divorce and alimony

## Widowhood

**Insight:**

At the age of 75, 74% of men have a spouse, compared to 38% of women, making longevity a key issue.[14]

**Conversation starter:**

- Let's make sure you've captured all the survivor benefits you're entitled to.
- Let's talk about creating some income sources that you can't outlive.

**Topics to cover:**

- Managing survivor benefits
- Tax implications
- Guaranteed income sources

## Legacy planning

**Insight:**

Women with high personal incomes (over $100,000) are less likely to have individual life insurance plans than men with similar income levels.[15]

**Conversation starter:**

- Do you currently have life insurance coverage?
- Would you be interested in learning about tax-deferred financial planning options?
- Would your home be protected if the family's main breadwinner died?

**Topics to cover:**

- Estate planning
- Tax efficient wealth transfer
- Income protection

[13] Nationwide® Healthcare and Long Term Care Study, November 2014.
[14] The 2011 Sourcebook for Long-term Care Insurance Information — AALTCI, 2011.
[15] "You've Come a Long Way..." Insurance Information Institute (03/15), http://www.iii.org/press-release/youve-come-a-long-way-but-do-you-have-enough-life-insurance-celebrate-womens-history-month-by-financially-protecting-your-family-030515.

## Nationwide® can help

Work with your Nationwide wholesaler to get the tools and resources you need to meet your female clients' needs. If you have a unique client need you're unsure about, we can help.

The following materials can be used in discussions with your individual female clients or in small group seminars.

### Women and Social Security module


- Invitation: NFM-14518AO
- Presentation: NFM-14156AO
- Questionnaire packet: K-AD-WOMENSOCSEC
- Thank you note: NFM-14472AO

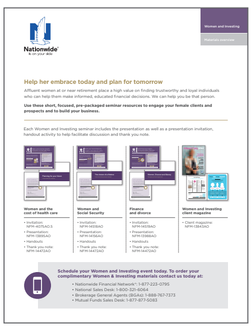
### Women and health care module


- Invitation: NFM-4075AO
- Presentation: NFM-13895AO
- Questionnaire packet: K-AD-WOMENHEALTH
- Thank you note: NFM-14472AO

### Women, divorce and money module


- Invitation: NFM-14519AO
- Presentation: NFM-13988AO
- Questionnaire packet: K-AD-WOMENDIVORCE
- Thank you note: NFM-14472AO

### Seminar materials and checklist

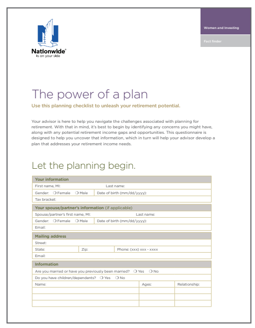



NFM-5064AO

### Financial You client-facing magazine


NFM-13843AO

### Client fact finder




NFM-14080AO

# Be a trusted resource for your female clients

Your Nationwide wholesaler can provide the tools and insights to help you with everything from basic conversations to the most unique planning concerns.

For additional resources visit nationwidefinancial.com/HerFinancialPartner or call the:

**National Sales Desk at 1-800-321-6064**
**Nationwide Financial Network® at 1-877-223-0795**
**Brokerage General Agents (BGAs) at 1-888-767-7373**
**Mutual Funds Sales Desk at 1-877-877-5083**

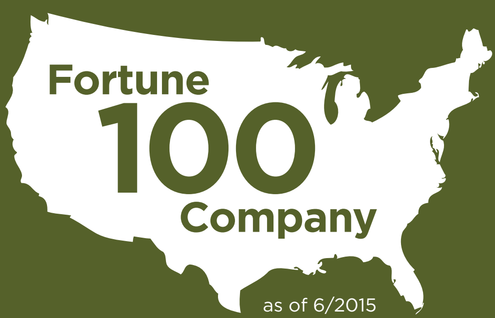
**Join us socially for an ongoing Women and Investing conversation by following @NWFinancial**

# Helping America prepare for and live in retirement

In the Nation, we believe in facing challenges together, so you can focus on helping your clients achieve their retirement dreams.

Nationwide helps you break down and simplify the complex retirement challenges that concern your clients most, with intelligent strategies and tools, competitive solutions and consultative support.

We're a U.S.-based company with a strong and stable financial foundation rooted in asset management and an 89-year history of disciplined investing. So, you can be sure we're committed to keeping every promise we make.




TOP **19%** of insurance-based financial services companies for risk management[16]

**A.M. Best** A+
received 10/17/2002
affirmed 7/7/16

**Moody's** A1
received 3/10/2009
affirmed 7/21/16

**Standard & Poor's** A+
received 12/22/2008
affirmed 4/22/16

These ratings and rankings reflect rating agency assessment of the financial strength and claims-paying ability of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are only updated when there's a change in the rating, the dates above reflect the most recent ratings we have received. They are subject to change at any time.

**diversified**
CORPORATE PORTFOLIO

- **financial services**
- **personal** property and casualty
- **commercial** property and casualty

[16] Focus on ORSA leaves ERM scores for North American and Bermudian insurers virtually unchanged, RatingsDirect Report, Standard & Poor's (5/19/2014).

NFM-4746AO.5 (09/16)

Nationwide®

# The power of a plan

**Use this planning checklist to unleash your retirement potential.**

Your advisor is here to help you navigate the challenges associated with planning for retirement. With that in mind, it's best to begin by identifying any concerns you might have, along with any potential retirement income gaps and opportunities. This questionnaire is designed to help you uncover that information, which in turn will help your advisor develop a plan that addresses your retirement income needs.

## Let the planning begin.

| **Your information** | |
|---|---|
| First name, MI: | Last name: |
| Gender: ☐ Female ☐ Male | Date of birth (mm/dd/yyyy): |
| Tax bracket: | |

| **Your spouse/partner's information** (if applicable) | |
|---|---|
| Spouse/partner's first name, MI: | Last name: |
| Gender: ☐ Female ☐ Male | Date of birth (mm/dd/yyyy): |
| Email: | |

| **Mailing address** | | |
|---|---|---|
| Street: | | |
| State: | Zip: | Phone: (xxx) xxx - xxxx |
| Email: | | |

| **Information** | | |
|---|---|---|
| Are you married or have you previously been married? ☐ Yes ☐ No | | |
| Do you have children/dependents? ☐ Yes ☐ No | | |
| Name: | Ages: | Relationship: |
| | | |
| | | |
| | | |

## Priority

Check your long-term priorities and those for your spouse/partner (if applicable).

| | Self: | Spouse/Partner: |
|---|---|---|
| Retirement planning | | |
| Ensuring income and assets are available to provide for you and your family should you pass away | | |
| Maximizing investment gains | | |
| Creating long-term financial security and stability | | |
| Social Security claiming options | | |
| Healthcare costs in retirement | | |
| Long-term care costs | | |
| Taxes | | |
| Charitable giving | | |
| College savings for children or grandchildren | | |
| Creating a legacy | | |
| Preserving assets brought into the marriage to be inherited by each spouse's specific children | | |
| Other (please fill in) | | |

## Risk level

When it comes to risk, please check the box that best describes your comfort level and the comfort level of your spouse/partner (if applicable).

| | Self: | Spouse/Partner: |
|---|---|---|
| Conservative | | |
| Moderately conservative | | |
| Moderate | | |
| Moderately aggressive | | |
| Aggressive | | |

## Assets (what you own)

List your financial assets.

Timeframe: S = within 3 years M = 4 – 7 years L = 7+ years

| | Current Value | Interest Rate | Goals | Timeframe |
|---|---|---|---|---|
| *Example: savings account:* | *$1,000* | *2%* | *Emergency fund* | *S* |
| Cash on hand | | | | |
| Savings account(s) | | | | |
| Checking account(s) | | | | |
| Certificate(s) of deposit | | | | |
| Money market funds | | | | |
| Cash value of life insurance | | | | |
| Investments (stocks, bonds, mutual funds, annuities) | | | | |
| 401(k) or other employer-sponsored plans | | | | |
| IRAs | | | | |
| Keogh plan, SEP or SIMPLE IRA | | | | |
| Other investments/assets | | | | |
| Equity in home | | | | |
| Other real estate/rental property | | | | |
| **Total assets** | $ | | | |

Have your assets been titled appropriately?

Do you and/or your spouse/partner (if applicable) have a will?

Have you named beneficiaries for your assets, and if so, when was your list of beneficiaries last reviewed?

If you decide to remarry, or you already have, is it important to you to set aside any current assets to be inherited by your children?

Do you and your spouse/partner (if applicable) have a financial power of attorney?

Do you and your spouse/partner (if applicable) have any trusts?

Do you and your spouse/partner (if applicable) have a healthcare power of attorney?

If you and/or your spouse/partner (if applicable) develop the need for long-term care, where would you prefer to receive care, and how would you fund it?

What is your employment history and what is the employment history of your spouse/partner (if applicable)?

Have you had other experiences working with financial advisors? If so, how would you describe those relationships?

## For questions or more information, contact your financial professional.

For additional resources, visit nationwide.com/WomenandInvesting
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Nationwide
is on your side


NFM-14080AO.1 (09/16)

# PINNEY INSURANCE

Providing All the Tools for Your Success[sm]

## Pinney Insurance

Founded in 1972 as a Transamerica branch office and later incorporated as Pinney Insurance Center, Inc., we are headquartered in our own building in Roseville, California. We provide a small local agency feel with the power of a major national firm.

Pinney has expanded into a national distributor with thousands of contracted agents and offices in California, Illinois, Maryland, North Carolina, Oklahoma, Pennsylvania, Texas, Washington, and Mississippi. Pinney represents over 100 life, annuity, disability, and long-term care companies with the intent of providing our clients & partners with the best possible product solutions at the lowest possible costs. Email Brokerage Sales Support or contact one of our Brokerage Directors today at 800-823-4852.

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- Pinney Insurance
- Insureio
- EZLifeSales
- Case Status
- Get a Quote
- Forms
- Contracting

### Most Popular Tools

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- **Insureio**
  www.insureio.com - Insurance marketing evolved!
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  www.ezlifesales.com - Learn how it works.
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  Introducing Our In-House Agency Underwriter
  Click here for a Basic Underwriting Questionnaire