



Lincoln
MoneyGuard
Fixed
Advantage[®]

LIFE SOLUTIONS

Product Reference
Guide

Life insurance issued by The
Lincoln National Life Insurance
Company, Fort Wayne, IN.

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Lincoln MoneyGuard Fixed Advantage®

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Product Objective

Lincoln *MoneyGuard Fixed Advantage*® is a flexible premium universal life insurance product which provides a death benefit and long-term care coverage through the Long-Term Care Benefits Rider (LTCBR). The product has various funding options. Return of Premium is provided through the Value Protection Endorsement which is included automatically with every policy. The Benefit Transfer Rider (BTR), also included with every policy at no additional cost, can provide additional flexibility for a beneficiary to utilize some or all of their death benefit proceeds to enhance benefits on an existing MoneyGuard policy if they are the Insured on that policy and that policy also includes the BTR. The Living Well Endorsement offers benefits, including access to certain health and wellness services, to the policy owner, insured, beneficiary and/or family members.

Key Features

Long-Term Care Benefits Rider (LTCBR) - This long-term care insurance rider provides benefits for Qualified Long-Term Care Services as described in the “Covered Services” section. Covered Services are subject to the terms and conditions of this Rider. Benefits under this Rider are first paid by accelerating the Policy’s Specified Amount and Return of Premium until the Specified Amount and Return of Premium have been reduced to zero. Reductions of the Specified Amount may result in the reductions to the net Death Benefit. These long-term care benefits are designated as benefits paid from “Qualified Long-Term Care Insurance” and are not taxed as income under IRC Section 104(a)(3).

Rider Mechanics: This Rider is included automatically at issue and provides for reimbursement of expenses for Qualified Long-Term Care Services. The single LTC rider design allows for a smooth transition between the benefits provided for acceleration and extension periods. The client will elect an LTCBR duration at issue. Durations available for LTCBR are 3, 4, 5, or 6 years.

Initial Maximum Monthly Limit: The initial maximum monthly limit will be based off of the At-Issue Specified Amount.

Initial LTCBR Total LTC Benefits Amount (Pool): Initial Maximum Monthly multiplied by the Total LTCBR Duration months

Optional Inflation Protection: There are three inflation protection options offered on the LTCBR at specified Benefit Durations:

- No inflation
- 3% compound
- 5% compound

Inflation Protection cannot be added post-issue.

Benefits After Lapse: If the policy and the LTC lapse while the insured is confined to a Nursing Home or Assisted Living Facility and the insured is receiving benefits for services under the LTCBR, benefits will continue to be paid until the earlier of the following:

- The date the insured is discharged from the Nursing Home or Assisted Living Facility; or
- The date the LTCBR Benefit in effect as of the date of lapse is reached.

Inflation increases will not be applied after lapse.

NOTE: This benefit only applies to policies that lapse due to nonpayment of premium while receiving LTC benefits. This benefit does not apply to voluntary terminations. Additionally, if LTC benefits are being paid by this provision there is no Death Benefit paid, including the Residual Death Benefit.

Non-forfeiture Benefit: After the policy and the LTCBR have been in-force for three Policy Years, an additional benefit will be payable to cover eligible claims for Covered Services if the LTCBR lapses. The Non-forfeiture Benefit Limit under this provision is the greater of:

- One month’s Maximum Monthly LTCBR Benefit in effect when this rider terminated; or
- An amount equal to the sum of all rider charges and inflation charges, if any.

Inflation protection increases do not apply to this benefit. The Nonforfeiture Benefit will continue as paid-up long-term care coverage until the earlier of:

- The death of the Insured or;
- The Nonforfeiture Benefits are exhausted.

International Benefit: Provides benefits if client is confined to a Nursing Home or Assisted Living Facility outside the US, its territories, or possessions.

- Max benefit can be up to 36 months. If more than one International Benefit claim is made in a given month it still only counts as one month of an International Benefit for purposes of utilizing no more than 36 months of International Benefits.

Covered Services: State variations may apply. See a specimen contract for the state where the business is being written. Covered Services are those services that would be eligible for payment under the terms of the LTCBR. The Covered Services would have to be categorized as Qualified Long-Term Care expenses. This includes expenses:

Home and Community-Based Services	
Home health care	Services provided by a licensed home health care agency in home.
Adult day care	Social and health-related services by a state-licensed or certified program in a group setting.
Caregiver training	Up to \$500 lifetime maximum to train a primary caregiver. These benefit claims do not decrease the Maximum Monthly of Total LTC benefits available for LTCBR.
Facility Services	
Assisted living facility	A residential facility that provides ongoing assistance.
Nursing home	A licensed facility that provides continual nursing care.
Bed reservation benefit	Policy will pay for bed reservations for up to 30 days during each calendar year.
Other Covered Services	
Care planning services	Policy will reimburse expenses for care plan services provided by a care planning agency.
Hospice	Provide benefits for the terminal phase of life.
Respite care	Short-term services provided to relieve your primary caregiver. Limit of no more than 21 days, not to exceed 1/20 th of the monthly Maximum benefit.
Alternative care services	These services are an alternative to services otherwise covered but are prescribed in the plan of care from a licensed healthcare practitioner.
Non-continual services	Services received on a one-time basis, such as durable medical equipment or modifications to your residence. Limit 1 claim per year.

These expenses or services must be required due to the Insured being chronically ill,-and, prescribed under a Plan of Care by a physician. A chronically ill person is any individual who has been certified by the attending physician, within the preceding 12 months, as being unable to perform without substantial assistance from another individual at least 2 out of 6 activities of daily living (ADLs) for a period of at least 90 days. The ADLs are:

- Bathing
- Dressing
- Toileting
- Contenance
- Eating
- Transferring

A person is also considered chronically ill if certified by a licensed healthcare practitioner as requiring substantial supervision to protect you from threats to health and safety caused by severe cognitive impairment.

Flexible Care Cash Amendment - If the insured is claim eligible and receiving care in the home, benefits are available for every day of the week. This does not require receipts for reimbursement and provides 50% of the max daily benefit (per Flexible Care Cash day of use/claim). It will be capped at the IRS Per Diem as of the time of claim. Flexible Care Cash is available as long as Specified Amount remains. Care can be provided by informal caregivers, including family members, that are ascribed in the insured's Plan of Care. Clients have ability to simultaneously use both FCC and reimbursement but are limited to one option per day.

Terminal Illness Acceleration of Death Benefit Rider (TIR) – This rider, automatically included at issue, allows for 25-75% of the policy's current Specified Amount (less debt) as a one-time Lump Sum. Benefit amount payable cannot exceed \$250,000. Insured requires a terminal illness diagnosis, which occurs when life expectancy of the insured is determined to be no more than 12 months as per a physician's written statement.

Use of the TIR terminates the LTCBR and conversely use of LTCBR terminates TIR. A \$250 Administrative Fee is charged at the time of TIR Usage.

Value Protection Endorsement – This endorsement is issued automatically with every Lincoln *MoneyGuard Fixed Advantage*® policy and provides the No-Lapse Guarantee (contingent upon sufficient premium payments) and Return of Premium benefits.

No-Lapse Guarantee: When a policy is at risk of entering the grace period, a calculation will be performed which compares the accumulated premiums received to the accumulated required minimum premium up to that point (minus partial surrenders or loans). The accumulation will be with interest and will vary by duration. If this test is passed, the policy will not enter the grace period even if its Cash Value is insufficient to fund policy charges. The Cash Value will never be less than zero.

When accumulating premiums for the Monthly No-Lapse Test, Lincoln will treat all premiums as if they were received at the beginning of the month due. Premiums paid in the month due will always receive the full month's interest for purposes of this test.

Return of Premium Benefit: Provided through the Value Protection Endorsement (VPE), there are two Return of Premium (ROP) options available, must be elected at issue. ROP benefits become available from time of first premium payment. Maximum ROP is defined at issue. Changes in the ROP level are not allowed after issue.

Basic ROP:

Upon surrender of the policy, a fixed level of 70% of paid premiums less loans, withdrawals and claims will be returned in all years. This option is included in all policies at no additional cost.

Graded (Vested) ROP:

The optional vested ROP option returns a vested percentage of the premiums paid less loans, withdrawals and claims upon surrender. The ROP will be graded from 70% to 100% over 11 years. ROP will equal the Return of Premiums Paid X ROP percentage as seen in the following chart. Max ROP defined at issue based on policy design.

ROP Percentage Table	
Duration Year	VPE Graded Percentage
1	70%
2	73%
3	76%
4	79%
5	82%
6	85%
7	88%
8	91%
9	94%
10	97%
11+	100%

Benefit Transfer Rider (BTR) - Included on all *MoneyGuard Fixed Advantage*[®] policies at issue at no additional cost. This innovative rider provides the opportunity to enhance an existing policy's long-term care and death benefits through the utilization of death claim proceeds from a separate policy at a rate that will always be greater than the amount being transferred. The beneficiary can purchase the following benefits on their existing policy:

- BTR Long-Term Care
- BTR Death Benefit
- BTR Cash Surrender Value

In order to utilize the feature, the beneficiary's policy must also have the BTR and they must be the Insured on their policy.

- The BTR benefits will not increase charges on the policy
- The Insured on the existing policy must be attained age 50
- The BTR funding cannot be applied to existing policy that has already exhausted all of its LTCBR Benefits
- A minimum premium of \$25,000 will be required for the BTR

The addition of BTR LTC Benefits will increase the Total LTC Benefit Limit (Pool) on the policy (LTC Maximum Monthly benefit is not changed).

- If Inflation exists on the Base Policy then the BTR LTC Benefit will also grow with inflation
- The Cash Surrender Value created by the BTR will be treated as paid-up value and will not be reduced by policy charges. It also cannot be accessed for Partials/Withdrawals. Loans can be taken on the BTR Cash Surrender Value at the same rate of the base policy; minimum loan amount of \$100.

BTR Death Benefit would be paid in addition to death claim dollars from the base policy

Living Well Endorsement - All policies automatically receive the Living Well Endorsement at issue in states where approved. This endorsement offers benefits, which may include access to certain health and wellness services, to the policy owner, insured, beneficiary, and/or other family members. There is no charge for the Living Well Endorsement.

Income Tax-Free Death Benefit: The Lincoln *MoneyGuard Fixed Advantage*[®] death benefit is paid to the beneficiary income tax-free under IRC Section 101(a)(1). However, the beneficiary will be taxed on any interest earned on the death benefit following the death of the insured until the death benefit is paid.

The death benefit is free of probate when the beneficiary is not the insured's estate.

If the insured dies while the policy is in force, the death benefit paid will be equal to the greater of:

- a) the Specified Amount on the date of death, less claims, withdrawals or any Indebtedness
- b) the Minimum Required Death Benefit, driven by Gross Cash Value or Return of Premium, less any Indebtedness;
- c) the Residual Death Benefit as described below; or
- d) Premiums paid, less claims, withdrawals or any Indebtedness

Premiums

The policyowner can select Single Premium or Flexible Premiums. Payment modes available are Annual, Semi-Annual, Quarterly and Monthly. The maximum electable premium period is 10 years from Issue Ages 40 through 72 and then it follows the grid below up to Issue Age 80:

Issue Age	Maximum Electable Premium Period
40-72	10
73	9
74	8
75	7
76	6
77	5
78	4
79	3
80	2

Additional Premiums - Allowed on all pay modes but will not increase the Specified Amount/Monthly Maximum.

Premium Deposit Fund: Allows policy owner to provide in advance for payment of future premiums. Money is held in the General Account outside of the policy.

- Minimum Deposit: \$250
- Maximum Deposit: 10 times annual premium
- Guaranteed interest credited on deposit: 1%; interest earned is taxable annually
- Not permitted on policies with loans and loans are not permitted on policies with PDF
- Withdrawals from the PDF are permitted but any interest earned since the prior monthly anniversary is forfeited

Policy Charges, Fees and Deductions

Monthly Charges - Separate deductions are made each month to cover the cost of the various insurance elements. No COI or rider charges are incurred after Attained Age 121 or when the policy has fully accelerated the Specified Amount and ROP down to zero.

Cost of Insurance: Based on attained Age, Gender, Accumulation Value, and Death Benefit.

Monthly Administrative Fee: Based on at issue Specified Amount, Gender, Class and Issue Age.

LTCBR Charge: Level charge for 10 years. The charge is based on Insured's Issue Age, Gender, Class, LTCBR duration and inflation option elected. LTCBR base amount reduced by partial surrenders, Specified Amount reductions and loans which will also reduce the LTCBR charge. Charge is per thousandth of Specified Amount.

A Couples Discount is available and will apply to the LTCBR rider charge based on the insured's marital status at the time of issue only. This includes an insured who is legally married (traditional or same sex) or is part of a civil union or domestic partnership or is in a common law marriage as recognized in the state of issue.

Premium Load: The Premium Load is a percentage of the premium paid and is used to defray the cost of setting up the policy, paying commissions and other expenses. A Premium Load of 25% will be deducted from all premiums paid in all years.

Surrender Charges: Surrender charges are incurred for early surrenders and are in effect for the first 10 years of the policy. The surrender charge is per thousand dollars of Specified Amount. The surrender charge set in any given year is level throughout the policy year.

Withdrawal/Partial Surrender Charge: While in the Surrender Charge period, the surrender charge associated with a withdrawal/partial surrender will be the following;

- The Surrender Charge rate for that year as reflected in the Table of Surrender Charges on the Policy Specification Page multiplied by the amount for which the Specified Amount was reduced due to the withdrawal/partial surrender request.
- Surrender Charges apply to reductions in the Specified amount during the Surrender Charge Period.

Long-Term Care Benefit Payments: Receiving benefit payments under the LTCBR will reduce the maximum benefit limit on a dollar-for-dollar basis. If less than the maximum monthly benefit is paid out, the rider benefits will be extended beyond the specified duration. Once the maximum amount has been received under the LTCBR Rider, payments will cease. If BTR has been utilized, BTR Extension payments could still occur.

Policy Cash Value, Loans and Withdrawals

Death Benefit: Will be equal to the greater of the:

- Specified Amount less claims, withdrawals or any Indebtedness
- Premiums paid less claims, withdrawals or any Indebtedness
- Minimum Required Death Benefit, driven by ROP or Gross Cash Value, less any Indebtedness
Residual Death Benefit (see below)

Residual Death Benefit: If LTC benefits are paid, the Residual Death Benefit guarantees that the Death Benefit will be no less than a stated amount. The Residual Death Benefit is equal to 5% of the Adjusted (current not reduced by claims) Specified Amount or \$10,000, whichever is less. Thereafter, the benefit is adjusted for loans, loan interest and withdrawals. There is no Residual Death Benefit remaining if any benefits have been paid under the Benefits After Lapse provision.

Specified Amount: The Specified Amount is the amount of the death benefit applied for at policy issue, and determines the amount available for LTC benefits under the (Long-Term Care Benefits Rider – LTCBR). At policy issue, the Specified Amount must be within contract limits. Specified Amount will be reduced by claims received on the policy.

The actual death benefit paid may be different than the Specified Amount if the policy goes on claim, see contract for details.

- The *minimum* Specified Amount for Lincoln *MoneyGuard Fixed Advantage*® is \$50,000.
 - The post-issue *minimum* Specified Amount for Lincoln *MoneyGuard Fixed Advantage*® is \$25,000.
- The *maximum* Specified Amount for Lincoln *MoneyGuard Fixed Advantage*® is \$500,000.

Partial Withdrawals: One allowed per year. No withdrawal fee.

- Minimum: \$500
- Maximum: Surrender Value less \$500

Surrender charges will be assessed during surrender charge period. Partial Withdrawals will reduce the Specified Amount.

Loans: Loans are allowed but Lincoln will not accept 1035 Exchanges that have outstanding loans on the existing policies. If a policy is transferred via a 1035 Exchange without an outstanding loan, the policy owner will have the ability to take a loan on the new *MoneyGuard Fixed Advantage*® policy.

Loans don't impact LTC benefits until time of claim. If a loan exists at time of claim, a portion of the reimbursement is credited toward the outstanding loan amount. (The amount credited is pro-rated based on loan balance and Specified Amount.) Interest Charged is 4% and Credited is 2%.

Loans and Claim payment

If a policy has an active loan and is approved for LTC claims payments, then a portion of the Claims payment will go towards paying off the loan.

Example: Loan = \$5,000, Specified Amount = \$100,000

- Ratio = .05 (100,000 / 5,000), or 5%
- LTC Claim approved for \$10,000
- Client is reimbursed \$9,500 with \$500 (5% since that is the loan ratio)

Chargeback Guidelines

	Months 1-12	Months 13-24	Months 25+
Partial Surrender	100%	50%	0%
Full Surrender	100%	50%	0%
Lapse	100%	50%	0%
Death Claim	0%	0%	0%

Note: Above percentages apply to 1st year commission. When a policy is partially surrendered, the amount of commission recalled pertains to the decreased portion of the policy rather than the policy as a whole. Similarly, when a policy's specified amount is decreased, the amount of earned commission recalled pertains to the decreased portion of the policy rather than the policy as a whole.

General Information

DEFRA Type: Cash Value Accumulation Test (CVAT): *MoneyGuard Fixed Advantage*® uses the Cash Value Accumulation Test (CVAT) to satisfy Section 7702 of the IRS code. Under CVAT, there is no limit on the amount of premium paid and there is a fairly high *corridor* of benefits. A *corridor* means that there must be a relationship between the death benefit and the value of the policy which meets certain minimums.

Taxation: The cost basis in the life insurance policy is reduced by the Long-Term Care rider charges in the years where an LTC rider charge is assessed (varies by issue age). The cost basis in the LTCBR is the sum of the rider charges. Upon surrender, the LTC Rider Charges are included back into the Cost Basis and the surrender value is compared to the combined cost basis.

Generally there would not be a taxable gain upon surrender. The exception would be for any cases in which a 1035 was rolled over with a gain included on the policy; that gain in the policy from the rollover could result in a gain upon surrender of the *MoneyGuard*® policy.

Annual IRS Form 1099R will be sent showing a distribution code of "w" for the years in which an LTC Rider charge was assessed. After the Long-Term Care rider charges cease the 1099Rs will no longer be sent. This 1099R is not reportable by the policy owner under the Pension Protection Act.

Reinstatements: Up to 5 years for the Base UL policy and Living Well Endorsement, but 6 months for the Riders/Endorsements.

Additional Information

Available Riders: There are no additional Riders other than those included with the base policy of Lincoln *MoneyGuard Fixed Advantage*®.

State Availability Grid: [Click here](#) for the latest State Availability Grid.

Side-by-side: [Click here](#) for a comparison between Lincoln *MoneyGuard Fixed Advantage*® and Lincoln *MoneyGuard*® III (20221) – 01/10/22

Specimen Contract: [Click here](#) for an example of a fully loaded *MoneyGuard Fixed Advantage*® Specimen Contract.

Benefit Transfer Rider FAQ: [Click here](#) for Frequently Asked Questions on the new Benefit Transfer Rider.

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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 *MoneyGuard Fixed Advantage*® universal life is issued on policy form 19-MG890/ICC19-MG890 and state variations with a Long-Term Care Benefits Rider (LTCBR) on Rider Form LTCBR-890/ ICC19LTCBR-890 with a Value Protection Endorsement (VPE) on Form END-10534/ICC19END-10534, Terminal Illness Acceleration of Death Benefit Rider (TIR): TIR-891, ICC19TIR-891 (required) and Benefit Transfer Rider (BTR): BTR-894, ICC21BTR-894 (required) by The Lincoln National Life Insurance Company, Fort Wayne, IN, and are distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

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Lincoln Concierge Care Coordination’s name, tools, resources and services may change or evolve over time. All information within this client guide is current as of the created date of this material.

Products and features, including benefits, terms, and definitions, may vary by state.



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