Nationwide® is on your side

Legacy Planning

Trust-owned variable annuities guide

Add flexibility to your revocable living trust.

Tap annuity income from your trust if needed in retirement.

Spousal income continuation feature for either surviving spouse.

Invest assets for growth potential to pass along to trust beneficiaries.

See how a Nationwide® variable annuity with **retirement income and death benefits** may help provide income if needed and protect the value of assets in a revocable living trust.

Guarantees are subject to the claims-paying ability of Nationwide Life Insurance company.

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

Flexibility when you need it, even within your legacy plan.

By establishing a revocable living trust, you've taken the time to help protect the financial legacy you leave for your family and beneficiaries. At some point during your retirement, however, you or your spouse may have a need for income to cover unexpected costs such as health care or long-term care. The assets in your trust may be a valuable source of income to cover these needs, especially for a surviving spouse.

To bring flexibility to your trust so it may provide additional income to either spouse if needed, you can purchase a Nationwide variable annuity with a portion of the trust's assets, adding a guaranteed lifetime withdrawal benefit (GLWB) rider at an additional cost, and **Spousal Protection Death Benefit Feature**, a unique option that can be included with most Nationwide variable annuity death benefits.

How the strategy works

Naming a spouse as the co-annuitant and primary beneficiary on a variable annuity within your revocable living trust — instead of the trust itself — may create additional opportunities, including:

- The spousal re-registration option provides the ability to extend tax deferral and access to Nationwide's unique spousal protection features
- Disclaimers could be used by the surviving spouse to have assets pass to the trust upon the death of the spouse or trust grantor, if more advantageous at the time of the first spouse's death (assuming the trust is named as a contingent beneficiary of the annuity)
- An annuity bypasses probate by contract operation regardless of who is named as the owner (assuming that a beneficiary of any type is named, except for an estate)

About Spousal Protection Death Benefit Feature

Spousal Protection Death Benefit Feature helps you and your spouse provide for each other regardless of who passes away first, even if only one spouse owns the contract. This could be especially important if you or your spouse passes away at a time when the markets and your contract value are down.

Details

- One spouse must be named annuitant; the other must be named co-annuitant, and both spouses must be named as beneficiaries; maximum issue ages may vary based on the death benefit elected
- No other person may be named as contract owner, annuitant, co-annuitant or beneficiary

---

Spousal Protection Death Benefit Feature
A feature available with most Nationwide variable annuity death benefit options which allows the potential for a death benefit to be processed upon either spouse's death, regardless of who is the owner of the contract. This provides the opportunity to waive any remaining surrender charges and potentially step up the contract value to the death benefit amount if that amount is higher than the contract value.

Meet Thomas and Kathy

Their goal

- Grow and protect trust assets to pass along to their children, the trust beneficiaries.
- Preserve the ability to tap trust assets if they have a need for additional income in retirement, especially after one spouse passes away.

Potential solutions

- Purchase a Nationwide variable annuity within the trust.
- Include a guaranteed lifetime withdrawal benefit (GLWB) at an additional cost, and Spousal Protection Feature added to your chosen variable annuity death benefit option.

Thomas set up a revocable living trust to have greater control over how his assets will pass on in the event of his death. The trust's assets are currently invested in a conservative portfolio seeking preservation of asset values.

The couple currently has a plan to provide them with income throughout retirement, but they are concerned about needing additional income for unexpected costs such as health care or long-term care expenses. Thomas, especially, wants to make sure Kathy has sufficient income for financial support after he passes away, and wants to make changes to the trust investments to make it easier for Kathy to withdraw income from the trust assets if needed.

To help Tom and Kathy meet their goals, one solution they can consider is to purchase a **Nationwide variable annuity** within the trust, adding both a **guaranteed lifetime withdrawal benefit (GLWB)** for spousal income and **Spousal Protection Death Benefit Feature** to their variable annuity death benefit option.

- With the lifetime income protection offered from the GLWB rider, assets in the variable annuity can be invested with a focus on long-term growth potential
- Any growth achieved by the investments in the variable annuity is tax-deferred until distributed from the contract

The Guaranteed Lifetime Withdrawal Benefit and its Joint Option can help either spouse when the other passes away by providing income they can withdraw should they need it. To better understand how the annuity can help the couple achieve their goals, let's look at what happens in the event of each spouse's passing.

Trust

Purchases VA with both GLWB & death benefit option that includes Spousal Protection Feature

Both spouses named as co-annuitants and primary beneficiaries on the annuity contract.

VA can be tapped for income if needed during retirement.

With income and death benefit protection, VA assets can be invested to seek growth.

If Thomas passes first:

- Kathy can access uninterrupted guaranteed income with the spousal income continuation benefit available from the GLWB rider
- Additionally, Kathy can collect a guaranteed death benefit if it's greater than the contract value

If Kathy passes first:

- Thomas can receive annuity income as a surviving spouse to help cover unexpected costs, such as health care or long-term care
- Thomas's death benefit option with Spousal Protection Feature allows him to potentially step-up his annuity contract value to the guaranteed death benefit upon Kathy's passing

Trust Beneficiaries

After both spouses have passed away, trust assets, including remaining VA assets, are directed back to the trust beneficiaries as intended.

Set it up right from the start

You can implement the spousal features of your variable annuity contract when you complete the application. Be sure to put the names of the right people in the right places, as this ensures that all the protections are in place.

In the case of Thomas and Kathy Kent, the contract set-up would look like this:

Owner	Thomas Kent, Trustee of the Thomas Kent Revocable Trust
Annuitant	Thomas Kent (must be age 85 or younger at time of application)
Co-annuitant	Kathy Kent (must be age 85 or younger at time of application)
Primary Beneficiary	Kathy Kent
Primary Beneficiary	Thomas Kent
Contingent Beneficiary	Thomas Kent Revocable Trust

With this set-up in place, the annuity can provide both added death benefit protection through the Spousal Protection Feature and a source of future income through the GLWB rider. The Spousal Protection Feature may have an additional charge associated with it. Please refer to your annuity's prospectus for further details.

Remember that the Guaranteed Lifetime Withdrawal Benefit's Joint Option is available for an additional fee, and it must be selected on the application.

Your next step

Talk with your financial advisor today to find out how a variable annuity within your trust can help you.

As you consider this strategy...

It's important to understand both the features and limitations of variable annuities and how an annuity can work in a strategy within your revocable living trust. Please keep these facts in mind:

- Variable annuity values will fluctuate based on investment option performance
- You may be charged penalties if you take your money out early
- If you take withdrawals before you're age 59½, you may have to pay a 10% early withdrawal federal tax penalty in addition to ordinary income taxes
- Withdrawals may reduce your death benefit and contract value and may also reduce benefits
- All guarantees and protections of variable annuities are subject to the financial strength and claims-paying ability of Nationwide Life Insurance Company
- Guarantees don't apply to any variable accounts, which are subject to investment risk (including the possible loss of your principal)
- Variable annuities offer several ways to generate income, including systematic withdrawal, annuitization (the process of converting an annuity into a series of income payments) and lifetime income payments through a GLWB
- Certain variable annuities may offer death benefits, available at an additional cost, that offer an amount payable upon death to the beneficiary which may offer guaranteed increases or protection against investment loss
- Investment options within variable annuities are underlying investment options and cannot be purchased directly by the public; they are only available through variable insurance policies by insurance companies
- Fees and charges of an annuity can vary and may include mortality and expense risk fees, administrative fees, contract fees and the expense of your investment options
- After weighing all the facts and giving it thoughtful consideration, you may decide the potential benefits you'll receive in retirement from a variable annuity outweigh your investment risks

---

Specific risks for using variable annuities in a revocable living trust

Before purchasing an annuity within a revocable living trust, you should understand how the annuity either aligns with or contradicts the specified plans for the remaining trust assets as stated in the trust document.

- Your trust and your annuity are each subject to their own specific legal agreements and can operate independently from each other. Therefore, there are risks that the objectives of one may be in conflict with the other. Actions you may take with your annuity (e.g., income distributions, contract continuation, distributions upon death of one spouse) may not coincide with the trust agreement, which may create adverse legal, financial or tax consequences.
- Tax laws may change, and the regulations that govern the trust agreement and the annuity contract may differ and have unfavorable implications. So it's important to understand any tax implications of taking distributions from your trust-owned annuity contract.
- Your trust may have associated fees that, along with the associated expenses of the annuity, may result in higher costs for implementing this strategy.

Before implementing any strategy within your existing revocable living trust, you should consult qualified legal, estate planning and tax professionals. Nationwide does not offer legal, tax or investment advice.

Nationwide®

Federal income tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law and is not guaranteed. Neither the company nor its agents/representatives gives legal or tax advice. You should consult your attorney or tax advisor for answers to your specific tax questions.

Variable products are sold by prospectus. Both the product prospectus and underlying fund prospectuses can be obtained by writing to Nationwide Life Insurance Company, P.O. Box 182021, Columbus, OH 43218-2021. Before investing, your clients should carefully consider the fund's investment objectives, risks, charges and expenses. The product prospectus and underlying fund prospectuses contain this and other important information. Clients should read the prospectuses carefully before investing.

Living benefit riders may not be available on all Nationwide variable annuities or in all states. Nationwide variable annuities are issued by Nationwide Life Insurance Company, Columbus, Ohio. The general distributor is Nationwide Investment Services Corporation, member FINRA.

NFM-6440A0.8 (12/16)