

SECURITIES AND EXCHANGE COMMISSION

FORM 497K

Summary Prospectus for certain open-end management investment companies filed pursuant to Securities Act Rule 497(K)

Filing Date: 2013-01-25
SEC Accession No. 0000930413-13-000360

(HTML Version on secdatabase.com)

FILER

LORD ABBETT MUNICIPAL INCOME FUND INC

CIK: **737800** | IRS No.: **133200760** | State of Incorporation: **MD** | Fiscal Year End: **0930**
Type: **497K** | Act: **33** | File No.: **002-88912** | Film No.: **13548596**

Mailing Address
90 HUDSON STREET
11TH FLOOR
JERSEY CITY NJ 07302

Business Address
90 HUDSON STREET
11TH FLOOR
JERSEY CITY NJ 07302
201-827-2000

Lord Abbett Intermediate Tax Free Fund

FEBRUARY 1, 2013

| CLASS/TICKER | | | | | |
|--------------|-------|---------|-------|---------|-------|
| CLASS A | LISAX | CLASS C | LISCX | CLASS I | LAIIX |
| CLASS B | LISBX | CLASS F | LISFX | CLASS P | LISPX |

Before you invest, you may want to review the Fund's prospectus and statement of additional information, which contain more information about the Fund and its risks. You can find the Fund's prospectus, statement of additional information and other information about the Fund at www.lordabbett.com/documentsandliterature. You can also get this information at no cost by calling 888-522-2388 (Option #2) or by sending an email request to literature@lordabbett.com. The current prospectus and statement of additional information dated February 1, 2013, as may be supplemented from time to time, are incorporated by reference into this summary prospectus.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek the maximum amount of interest income exempt from federal income tax as is consistent with reasonable risk.

FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and certain members of your family invest, or agree to invest in the future, at least \$100,000 in the Lord Abbett Family of Funds. More information about these and other discounts is available from your financial professional and in "Sales Charge Reductions and Waivers" on page 104 of the prospectus and "Purchases, Redemptions, Pricing, and Payments to Dealers" on page 8-1 of the statement of additional information ("SAI").

| Shareholder Fees (Fees paid directly from your investment) | | | | |
|--|---------------------|-------|----------------------|-------------|
| Class | A | B | C | F, I, and P |
| Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) | 2.25% | None | None | None |
| Maximum Deferred Sales Charge (Load) (as a percentage of offering price or redemption proceeds, whichever is lower) | None ⁽¹⁾ | 5.00% | 1.00% ⁽²⁾ | None |

| Annual Fund Operating Expenses <i>(Expenses that you pay each year as a percentage of the value of your investment)</i> | | | | | | |
|---|---|---------|----------------------|---------|---------|---------|
| Class | A | B | C | F | I | P |
| Management Fees | 0.39% | 0.39% | 0.39% | 0.39% | 0.39% | 0.39% |
| Distribution and Service (12b-1) Fees | 0.20% | 1.00% | 0.87% ⁽³⁾ | 0.10% | None | 0.45% |
| Other Expenses | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% |
| Total Annual Fund Operating Expenses | 0.70% | 1.50% | 1.37% | 0.60% | 0.50% | 0.95% |
| Fee Waiver and/or Expense Reimbursement ^{(4) (5)} | (0.01)% | (0.01)% | (0.01)% | (0.01)% | (0.01)% | (0.01)% |
| Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement ^{(4) (5) (6)} | 0.69% | 1.49% | 1.36% | 0.59% | 0.49% | 0.94% |
| ⁽¹⁾ | A contingent deferred sales charge ("CDSC") of 1.00% may be assessed on certain Class A shares purchased or acquired without a sales charge if they are redeemed before the first day of the month of the one-year anniversary of the purchase. | | | | | |
| ⁽²⁾ | A CDSC of 1.00% may be assessed on Class C shares if they are redeemed before the first anniversary of their purchase. | | | | | |
| ⁽³⁾ | The 12b-1 fee the Fund will pay on Class C shares will be a blended rate calculated based on (i) 1.00% of the Fund's average daily net assets attributable to shares held for less than one year and (ii) 0.80% of the Fund's average daily net assets attributable to shares held for one year or more. All Class C shareholders of the Fund will bear 12b-1 fees at the same rate. | | | | | |
| ⁽⁴⁾ | This amount has been updated from fiscal year amounts to reflect the current fee waiver/expense limitation agreement. | | | | | |
| ⁽⁵⁾ | For the period February 1, 2013 through January 31, 2014, Lord, Abnett & Co. LLC has contractually agreed to waive its fees and reimburse expenses to the extent necessary to limit total net annual operating expenses for each class, excluding 12b-1 fees and interest related expenses, to an annual rate of 0.49%. This agreement may be terminated only by the Fund's Board of Directors. | | | | | |
| ⁽⁶⁾ | This amount includes interest and related expenses from inverse floaters of less than 0.01%. | | | | | |

Example

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund at the maximum sales charge, if any, for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, that dividends and distributions are reinvested, and that the Fund's operating expenses remain the same (except that the example takes into account the fee waiver and expense limitation agreement between the Fund and Lord, Abnett & Co. LLC for the term of the agreement). The example assumes a deduction of the applicable contingent deferred sales charge ("CDSC") for the one-year, three-year, and five-year periods for Class B shares and for the one-year period for Class C shares. Class B shares automatically convert to Class A shares after approximately eight years. The expense example for Class B shares for the ten-year period reflects the conversion to Class A shares. The first example assumes that you redeem all of your shares at the end of the periods. Although your actual costs may be higher or lower, based on these assumptions, your costs (including any applicable CDSC) would be as shown below. The second example assumes that you do not redeem and instead keep your shares.

SUMMARY - INTERMEDIATE TAX FREE FUND

| Class | If Shares Are Redeemed | | | | If Shares Are Not Redeemed | | | |
|----------------|------------------------|---------|----------|----------|----------------------------|---------|---------|----------|
| | 1 Year | 3 Years | 5 Years | 10 Years | 1 Year | 3 Years | 5 Years | 10 Years |
| Class A Shares | \$ 294 | \$ 443 | \$ 605 | \$ 1,075 | \$ 294 | \$ 443 | \$ 605 | \$ 1,075 |
| Class B Shares | \$ 652 | \$ 773 | \$ 1,018 | \$ 1,573 | \$ 152 | \$ 473 | \$ 818 | \$ 1,573 |
| Class C Shares | \$ 238 | \$ 433 | \$ 749 | \$ 1,645 | \$ 138 | \$ 433 | \$ 749 | \$ 1,645 |
| Class F Shares | \$ 60 | \$ 191 | \$ 334 | \$ 749 | \$ 60 | \$ 191 | \$ 334 | \$ 749 |
| Class I Shares | \$ 50 | \$ 159 | \$ 279 | \$ 627 | \$ 50 | \$ 159 | \$ 279 | \$ 627 |
| Class P Shares | \$ 96 | \$ 302 | \$ 525 | \$ 1,165 | \$ 96 | \$ 302 | \$ 525 | \$ 1,165 |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in the annual fund operating expenses or in the example, affect the Fund’ s performance. During the most recent fiscal year, the Fund’ s portfolio turnover rate was 21.39% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES

For purposes of its investment objective, the Fund uses the volatility of the Barclays Municipal Bond Index: 7 Year (6-8) as an approximation of reasonable risk. To pursue its objective, under normal market conditions, the Fund invests at least 80% of its net assets in municipal bonds that pay interest exempt from federal income tax. Under normal market conditions, the Fund invests primarily in investment grade municipal bonds. Investment grade municipal bonds are rated BBB/Baa or higher (at the time of purchase) by an independent rating agency or are unrated but deemed by Lord Abbett to be of comparable quality.

The Fund may invest up to 20% of its net assets in municipal bonds rated BB/Ba or lower (at the time of purchase) by an independent rating agency or unrated but deemed by Lord Abbett to be of comparable quality (commonly referred to as “below investment grade,” “high yield,” or “junk” bonds).

The Fund may invest in all types of municipal bonds, including general obligation bonds, revenue bonds, and municipal leases. The Fund may invest up to 20% of its net assets in municipal bonds that pay interest subject to the federal alternative minimum tax (“AMT”), including certain private activity bonds (commonly referred to as “AMT paper”). Although the Fund is permitted to invest up to 20% of its net assets in fixed income securities that pay interest subject to federal income tax, the Fund presently has no intention of investing in this manner. The Fund will not invest 25% or more of its total assets in any industry; however, this limitation does not apply to tax-exempt securities issued by governments or their political subdivisions. The Fund may invest in both insured and uninsured municipal bonds.

SUMMARY - INTERMEDIATE TAX FREE FUND

The Fund may use inverse floaters, which is a type of derivative investment that provides leveraged exposure to underlying municipal bonds whose interest payments vary inversely with changes in short-term tax-exempt interest rates. These investments are intended to increase the Fund's income and potential investment return and are speculative. The Fund also may invest in other types of derivatives, such as futures, for speculative, hedging, or duration management purposes.

The Fund may invest in securities of any maturity or duration. The Fund's dollar-weighted average maturity generally is expected to be between three and ten years, but will vary with market conditions.

The Fund's investment team focuses on credit quality, income tax exemption, total return potential, and call protection in selecting municipal bonds. The Fund generally will sell a security when it believes the security is less likely to benefit from the current market and economic environment, shows signs of deteriorating fundamentals, or has reached its valuation target, among other reasons. The Fund seeks to remain fully invested in accordance with its investment objective; however, in response to adverse market or other unfavorable conditions, the Fund may invest its assets in a temporary defensive manner.

PRINCIPAL RISKS

As with any investment in a mutual fund, investing in the Fund involves risk, including the risk that you may receive little or no return on your investment. When you redeem your shares, they may be worth more or less than what you paid for them, which means that you may lose a portion or all of the money you invested in the Fund.

The following is a summary of certain risks that could adversely affect the Fund's performance or increase volatility:

Portfolio Management Risk - If the strategies used and securities selected by the Fund's portfolio management fail to produce the intended result, the Fund may suffer losses or underperform other funds with the same investment objective or strategies, even in a rising market.

Fixed Income Securities Risk - The Fund is subject to the general risks and considerations associated with investing in debt securities, including the risk that issuers will fail to make timely payments of principal or interest. Typically, shorter-term bonds are less volatile than longer-term bonds; however, longer-term bonds typically offer higher yields and more stable interest income than shorter-term bonds. Lower rated municipal bonds in which the Fund may invest may be more volatile and may decline more in price in response to negative issuer developments or general economic news than higher rated securities. In addition, as interest rates rise, the Fund's investments typically will lose value.

SUMMARY - INTERMEDIATE TAX FREE FUND

Municipal Bond Risk - Municipal bonds are subject to the same risks affecting fixed income securities in general. In addition, the price of municipal bonds may be adversely affected by legislative or political changes, tax rulings, judicial action, changes in market and economic conditions, and the fiscal condition of the municipal issuer. The market for municipal bonds generally is less liquid than other securities markets, which may make it more difficult for the Fund to sell its bonds.

Below Investment Grade Municipal Bond Risk - Below investment grade municipal bonds typically pay a higher yield than investment grade municipal bonds, but may have greater price fluctuations and have a higher risk of default than investment grade municipal bonds. The market for below investment grade municipal bonds may be less liquid, which may make such bonds more difficult to sell at an acceptable price, especially during periods of increased market volatility or significant market decline.

Call Risk - A substantial portion of municipal bonds are “callable,” meaning they give the issuer the right to call or redeem the bonds before maturity. As interest rates decline, these bond issuers may pay off their loans early by buying back the bonds, thus depriving the Fund of above market interest rates. Moreover, the Fund may have to reinvest the prepayment proceeds in lower yielding securities.

Concentration Risk - The Fund may concentrate its investments in issuers within a particular state, territory or possession, which may expose the Fund’ s assets to negative economic, business or political developments in such region. This focus may adversely affect the value of the Fund’ s investments more than if such assets were not so concentrated.

Credit Risk - Municipal bonds are subject to the risk that the issuer of a security may not make interest and principal payments as they become due or may default altogether. In addition, if the market perceives a deterioration in the creditworthiness of an issuer, the value of bonds issued by that issuer tends to decline. Credit risk varies based upon the economic and fiscal conditions of each issuer and the municipalities, agencies, instrumentalities, and other issuers within the state, territory or possession. Insured municipal bonds have the credit risk of the insurer in addition to the credit risk of the underlying investment being insured. A decline in the credit quality of private activity bonds usually is directly related to a decline in the credit standing of the private user of the facility.

Industry Risk - Nongovernmental users of facilities financed by tax-exempt revenue bonds (e.g. companies in the electric utility and health care industries) may have difficulty making payments on their obligations in the event of an economic downturn. This would negatively affect the valuation of bonds issued by such facilities.

SUMMARY - INTERMEDIATE TAX FREE FUND

Derivatives Risk - Loss may result from the Fund' s investments in futures contracts, inverse floaters and other derivative instruments. These instruments may be leveraged so that small changes may produce disproportionate and substantial losses to the Fund. They also may increase the Fund' s interest rate risk and may cause the Fund to realize a limited amount of taxable income. Losses also may arise from the failure of a derivative counterparty to meet its contractual obligations.

Extension Risk - Rising interest rates may cause payments to occur at a slower-than-expected rate, extending the duration of a bond and typically reducing its value.

Governmental Risk - Government actions, including actions by local, state and regional governments, could have an adverse effect on municipal bond prices. In addition, the Fund' s performance may be affected by local, state, and regional factors depending on the states in which the Fund' s investments are issued.

Interest Rate Risk - As interest rates rise, prices of bonds (including tax-exempt bonds) generally fall, causing the Fund' s investments typically to lose value. Interest rate changes typically have a greater effect on the price of longer-term bonds, including inverse floaters, than on shorter-term bonds.

Liquidity Risk - It may be difficult for the Fund to sell certain securities, including below investment grade municipal bonds, in a timely manner and at their stated value, which could result in losses to the Fund. In addition, the Fund could experience a loss when selling securities to meet redemption requests if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices for the securities sold, or when the securities the Fund wishes to or is required to sell are illiquid.

State and Territory Risks - Although the Fund does not focus on a particular state or territory, the Fund' s performance may be affected by local, state, and regional factors. These factors may include, for example, economic or political developments, erosion of the tax base, and the possibility of credit problems. In addition, downturns or developments in the U.S. economy or in foreign economies or significant world events may harm the performance of the Fund and may do so disproportionately as a result of the corresponding disproportionate impact of such occurrences on particular state, territory, or local economies. The effects of the national economic recession that began in 2008 caused extraordinary declines in tax revenues, increased demands for government services and added pressure on budgetary reserves for affected governments. State, territory, and local economies continue to be affected by severely decreased tax revenues and additional pressure on budgets. State and local governments also have relied heavily on federal stimulus funds and other one-time measures to deal with their current

SUMMARY - INTERMEDIATE TAX FREE FUND

budget crises and may face less flexibility and liquidity in the future. All of this could have significant consequences for the Fund because a worsening of the economic position of a state or other issuer of bonds in which the Fund invests could lower the value of the Fund' s investments and could cause you to lose money.

Taxability Risk - The Internal Revenue Service ("IRS") has announced that holders of tax-exempt bonds have risks that their tax-exempt income may be reclassified as taxable if the bonds that they own were issued in an abusive transaction. Although the Fund attempts to purchase only bona fide tax-exempt securities (except for its ability to invest up to 20% of its net assets in municipal bonds that pay interest subject to AMT and fixed income securities that pay interest that is subject to regular federal income tax), there is a risk that a bond issued as tax-exempt may be reclassified by the IRS as taxable, creating taxable rather than tax-exempt income.

An investment in the Fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For more information on the principal risks of the Fund, please see the "More Information About the Funds - Principal Risks" section in the prospectus.

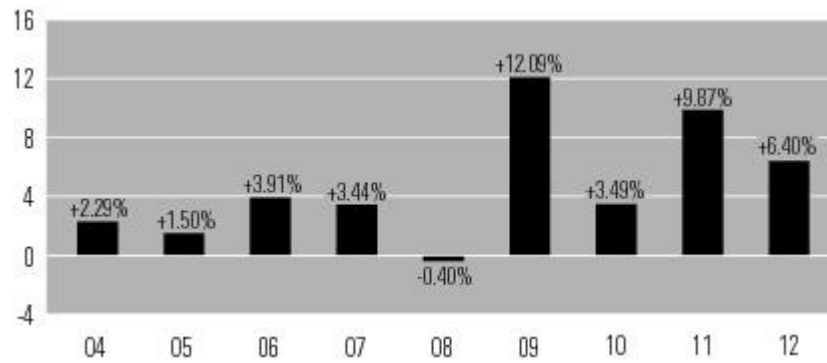
PERFORMANCE

The bar chart and table below provide some indication of the risks of investing in the Fund by illustrating the variability of the Fund' s returns. Each assumes reinvestment of dividends and distributions. The Fund' s past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

The bar chart shows changes in the performance of the Fund' s Class A shares from calendar year to calendar year. This chart does not reflect the sales charge applicable to Class A shares. If the sales charge were reflected, returns would be lower. Performance for the Fund' s other share classes will vary due to the different expenses each class bears. Updated performance information is available at www.lordabbett.com or by calling 888-522-2388.

SUMMARY - INTERMEDIATE TAX FREE FUND

Bar Chart (per calendar year) – Class A Shares



Best Quarter 3rd Q ' 09 +6.55%

Worst Quarter 4th Q ' 10 -3.48%

The table below shows how the Fund's average annual total returns compare to the returns of a securities index. The Fund's average annual total returns include applicable sales charges.

The after-tax returns of Class A shares included in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. In some cases, the return after taxes on distributions and sale of Fund shares may exceed the return before taxes due to a tax benefit resulting from realized losses on a sale of Fund shares at the end of the period that is used to offset other gains. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts ("IRAs"). After-tax returns for other share classes are not shown in the table and will vary from those shown for Class A shares.

SUMMARY - INTERMEDIATE TAX FREE FUND

| Average Annual Total Returns (for the periods ended December 31, 2012) | | | | |
|--|--------|---------|-------------------------|-------------------------------------|
| Class | 1 Year | 5 Years | Life of Class | Inception Date for Performance |
| Class A Shares | | | | 6/30/2003 |
| Before Taxes | 3.96% | 5.73% | 4.29% | |
| After Taxes on Distributions | 3.96% | 5.73% | 4.29% | |
| After Taxes on Distributions and Sale of Fund Shares | 3.60% | 5.44% | 4.16% | |
| Class B Shares | 0.56% | 5.05% | 3.88% | 6/30/2003 |
| Class C Shares | 4.60% | 5.44% | 3.77% | 6/30/2003 |
| Class F Shares | 6.42% | 6.29% | 6.21% | 9/28/2007 |
| Class I Shares | 6.59% | - | 9.08% | 1/31/2011 |
| Class P Shares | 6.15% | 5.98% | 4.33% | 6/30/2003 |
| Index | | | | |
| Barclays Municipal Bond Index: 7 Year (6-8) <i>(reflects no deduction for fees, expenses, or taxes)</i> | 4.20% | 6.21% | 4.88% 6.28% 7.69% | 6/30/2003 9/28/2007 1/31/2011 |

MANAGEMENT

Investment Adviser. The Fund's investment adviser is Lord, Abbett & Co. LLC.

Portfolio Managers. The portfolio managers jointly and primarily responsible for the day-to-day management of the Fund are:

| Portfolio Manager/Title | Member of the Investment Management Team Since |
|--|--|
| Daniel S. Solender, Partner and Director | 2006 |
| Daniel T. Vande Velde, Partner and Portfolio Manager | 2007 |

PURCHASE AND SALE OF FUND SHARES

The minimum initial and additional amounts shown below vary depending on the class of shares you buy and the type of account. Certain financial intermediaries may impose different restrictions than those described below. Class B shares no longer are available for purchase by new or existing investors and only will be issued in connection with (i) an exchange of Class B shares from another Lord Abbett Fund or (ii) a reinvestment of a dividend and/or capital gain distribution. For Class I shares, the minimum investment shown below applies to certain types of institutional investors, but does not apply to registered

SUMMARY - INTERMEDIATE TAX FREE FUND

investment advisers or retirement and benefit plans otherwise eligible to invest in Class I shares. Class P shares are closed to substantially all new investors. See “Choosing a Share Class – Investment Minimums” in the prospectus for more information.

| Investment Minimums – Initial/Additional Investments | | | |
|--|--------------------|------------|---------------------|
| Class | A and C | F and P | I |
| General and IRAs without Invest-A-Matic Investments | \$1,000/No minimum | No minimum | \$1 million minimum |
| Invest-A-Matic Accounts | \$250/\$50 | N/A | N/A |
| IRAs, SIMPLE and SEP Accounts with Payroll Deductions | No minimum | N/A | N/A |
| Fee-Based Advisory Programs and Retirement and Benefit Plans | No minimum | No minimum | No minimum |

You may sell (redeem) shares through your securities broker, financial professional or financial intermediary. If you have direct account access privileges, you may redeem your shares by contacting the Fund in writing at P.O. Box 219336, Kansas City, MO 64121, by calling 888-522-2388 or by accessing your account online at www.lordabbett.com.

TAX INFORMATION

The Fund’s distributions of interest on municipal bonds generally are not subject to federal income tax; however the Fund may distribute taxable dividends, including distributions of short-term and long-term capital gains. In addition, interest on certain bonds may be subject to the federal alternative minimum tax. To the extent that the Fund’s distributions are derived from interest on bonds that are not exempt from applicable state and local taxes, such distributions will be subject to such state and local taxes.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and the Fund’s distributor or its affiliates may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your individual financial professional to recommend the Fund over another investment. Ask your individual financial professional or visit your financial intermediary’s website for more information.

SUMMARY - INTERMEDIATE TAX FREE FUND



We Recycle

This document is printed on recycled paper.

Go Paperless!

Visit www.lordabbett.com to learn how to receive all your shareholder communications online.

00087938 LAITF-7SUM

(2/13)
