



Summer, 2015

PLANS THAT WORK. PEOPLE WHO CARE.™

We believe that *our clients are entitled to the professional assistance of trustworthy, caring and expert advisors to help them prepare for and go through two of life's most challenging crises.*

What's Going On Here?

-Curt Ferguson-

Summer is always a busy time. We have completed the hectic Annual Family Reunion™ (AFR) season, are in the midst of the comprehensive review of our legal documents in preparation for the Client Update Program™ (CUP) series, and are finalizing and presenting the Technical Training Program™ (TTP). We stay busy so that with a little bit of your participation two or three times per year, you can sleep well at night with justified peace of mind that your estate plan is going to work efficiently and effectively.

Here is a brief recap of the AFR, an invitation to the TTP, and a preview of the CUP.

Annual Family Reunion™ (AFR)

The 2015 AFR was one of our best attended. Given the growing size of our "LifeSpan Family," we offered seven different times and four different locations for you to attend. Most were filled to capacity.

In the Firm Update, we introduced Carma Miller as the new Office Systems Coordinator. She helps everyone with everything! LaRae and Rachelle Ferguson have been doing more editing of Curt's articles (Prairie Farmer® and others). Sam Collins has become a prominent member of the National Network of Estate Planning Attorneys, leading the estate settlement task force. His five years in our firm has placed him among the more experienced trust and estate settlement attorneys in the Network.

For everyone who has attended an AFR in the last couple of years, you know that your Lifespan Client Organizer™ is completely reorganized. I would suggest that one time this summer (when you are thinking about how much you care about your family) you open your Client Organizer to Tab A and

read through the Annual Action Reviewer™ as a reminder of some of the things you should consider and/or do at least once a year.

For the first time in several years, we announced a fee increase which you will see in your 2016 renewal. For people who are committed to the routine updating and maintenance process we provide but, for health or comparable reasons, are finding it impossible to attend our group meetings, remember that the Special Delivery System™ and private updating appointments are available.

Our LifeSpan™ Planning Process draws upon Williams & Preisser study and ideas for Successful estate transfer

- Total family involvement
- Process that integrates what family members learn together
- Learning and practicing Communication, Trust, Openness, Consensus, unifying behind common mission

We revisited the Williams & Preisser study which concluded that about 70% of "wealth transfer plans" failed, where failure was defined as "the removal of assets, involuntarily, from beneficiaries." The reason they cited for most failures was a breakdown in family communications, followed by inadequately prepared heirs. I am proud

of the relative success of our LifeSpan™ clients' plans.

Practitioner Orders for Life-Sustaining Treatment is the latest thing in Illinois Health Care Power of Attorney law. Do not let a medical facility push their "new POA form" into your hands and make you sign it! It will invalidate the perfectly good Health Care Power of Attorney that you already have, and the "new form" diminishes the value of your life.

Among other things, we introduced the new 529 ABLE Plans, covered the new estate and capital gain tax rates, and shared some income tax strategies for

owners of small businesses. Everyone enjoyed our traditional Legal Tales From Out There presented by Sam. My favorite line was, “If an adult is trying to get you to adopt them, they may be after your money!”

In a new section of the AFR, we reviewed four areas of planning to help you understand why we don’t do things “the way they do them out there.”

- “I think I need a POA...”
- “How long does it take? He had a trust!”
- “Why do I need a cotrustee?”
- “Name a trust as IRA beneficiary?!”

Finally, we had our usual introduction to the Lifespan Learning Solution™ calendar and Gayla wrapped up with the Funding Report Card. After a virtually dead heat at the end of 2013 one team slipped back a little during 2014; by focusing your attention on full funding of your estate plan, your family will come out winning in the long run!

My favorite feedback received so far was from a client who attended in person and requested a complimentary video to review. He wrote:

“As I watched the program again, I could not believe how much that I had forgotten about what had been presented. I even went back to the handout that I received at Bloomington to verify that several items were in the Bloomington presentation. As we get older, we don't remember as much as we used to. We can master the information but it takes more effort to make it a part of our thinking. This review was good for me.”

Thank you to all of you who provided us with feedback, including the constructive criticism!

Technical Training Program™ (TTP)

This year’s biggest Lifespan Learning Solution™ announcement is our **Back to the Not-So-Basics™** program. We are constantly finding innovative ways to improve planning results for our clients and their families. Some new concepts are ‘automatic upgrades’—we add them to your plan at a CUP. But



other innovations require the clients’ personal choice: ‘optional upgrades’ you could say. You might recall meetings in recent years where we presented ‘optional upgrades’ (for instance, *Supercharging the School Bus*, *Bounty Clause*, resetting the *Marital-Family Funding Switch*, *Limited Power of Appointment/Hit Parade*, *Poorer Spouse Technique*, and *Generation Skipping Trusts*). Maybe your family attended and made a choice about the ‘optional upgrade’...or maybe you are among a significant number of families who didn’t come and learn about it. This ‘highlight reel’ program gives you another chance! We will cover the most popular of these concepts in an understandable, story-based way. You will be able to follow along on your Design Template. Even if you have the particular upgrade in your plan it will be a good review. If you don’t, it should be enough of an introduction for you to make an informed decision about whether you would like it added. Based on your choices during this program, every technique you like will be included in the next regularly scheduled document update.

To honor everyone’s time, we are going to present the ‘for married people only’ concepts after the break, giving singles a chance to leave early.

This is a good program for Beneficiaries to attend. Some of the ‘pros and cons’ will be best judged by

the beneficiary so they can offer their opinion to our client

"A man does what he must — in spite of personal consequences, in spite of obstacles and dangers — and this is the basis of all human morality." John F. Kennedy

about whether they want the 'upgrade.' Here are the dates and times:

Tuesday, July 14: 6:00pm, Marshall

Saturday, July 18: 9:00am, Salem

Tuesday, August 18: 6:00pm, Bloomington

Tuesday, August 25: 2:00pm & 6:00pm, Salem

Make your reservation ASAP because some of the scheduled dates are already filling up!

Client Update Program™ (CUP)

As always, about half of our clients will be invited to a CUP this fall. The dates of these small-group programs start in mid-August and run through mid-November. Since so many of our clients are farmers, there will be many dates available before mid-September and in November to leave them free during harvest time. For those of you who are not farmers, consider signing up for the middle dates, mid-September through October. Thanks!

As our LifeSpan™ family continues to grow, we are continually

working on our Lifespan Learning Solution™ process as well. For instance, you may have noticed this year we will be offering a larger selection of dates, locations, and times for the various programs. Hopefully, this will give you and your helpers more options as you work around your busy schedules at home!

As your Education Coordinator I want to provide you with a few suggestions/reminders that I think will prove very helpful:

1. **Make Your Reservations As Soon As Possible:** This insures getting the date and location that works best for you.
2. **Make a Reservation for EACH person attending:** We want your helpers to attend programs, but due to limited seating and the need for material preparation, if your helpers plan to attend, reservations are a MUST.
3. **Read your confirmation letter:** You will typically receive a confirmation letter approximately 2 weeks prior to a program IF you have a reservation. This letter will include the program date, time, and location, as well as instructions if you need to bring items such as your Red Book or LifeSpan Client Organizer™.
4. **Take Advantage of our on-line resources:** Don't forget to take advantage of the Family Education Programs available on our website. This is a great alternative to attending in person, especially for your helpers who may live some distance away.

Remember, ODD YEAR clients, your Estate Planning Review Worksheets and list of CUP dates will be coming in the mail within the next few weeks!

"What we love, we strive to understand."
Nigel Biggar, Regius Professor of Moral and Pastoral Theology, University of Oxford

Education Update

- Gayla Ball -



Hello, Everyone!

Let me just remind everyone I LOVE summer. Warmer weather, longer days, vacations, cook-outs, and—oh yes, don't worry—I will keep you posted on the arrival of the grandbaby! ☺

As always, I really enjoyed the opportunity to see and catch up with so many of you at our Annual Family Reunion™ meetings this spring. Judging from the positive feedback we received from our clients, it was worth the time and effort you made to be there. Attending the AFR is always a gentle reminder to you, our clients, that you have invested in an estate plan, and we all want it to work!!

"Good rule of thumb on figuring out who is the oppressor: Look for who is using government force to make someone else do something."
Frank J. Fleming

THINGS YOUR DAD WOULD NEVER SAY

- “Can you turn up that music?”
- “Go ahead and take my truck. Here’s \$50 for gas.”
- “I love your tattoo. We should both get new ones.”
- “Here, you take the remote.”
- “I guess I’m lost! Looks like we’ll have to stop and ask for directions.”
- “Your mother and I are going away for the weekend. Maybe you should throw a party.”
- “No son of mine is going to live under this roof without an earring. Now quit complaining and let’s go to the mall.”
- “Let me hold your purse while you try that on.”
- “While we’re here, shouldn’t you get some matching shoes to go with that?”
- “Why don’t we watch the Lifetime Channel tonight?”
- “When I was growing up, we had it so easy!”
- “You’re too young to be thinking about a job. You can live here with us as long as you want.”
- “Great idea, son. Changing your major again will enhance your self esteem.”
- “Make me come up there.”

Contributed by Al LaRue

Landowner Hunting Permits

- Sarah Rupe -

Are you—or is someone in your family—a Hunter who gets landowner permits? Well, occasionally the Illinois Department of Natural Resources requests additional information since your real estate is in a trust. Don’t fret! Just send the signed form/s to me, and I’ll mail them to the Department of Natural Resources with the appropriate paperwork that they request. I’ll send you a copy of the letter I send them so you will know it’s taken care of.



HOWEVER, if you want landowner permits for a child, your trust must specify that he or she is a ‘current income beneficiary’ of the trust in order to get landowner permits/tags based on real estate titled in your trust. So, if you want this, contact me and let’s discuss the situation to verify whether you need an amendment for this purpose. Curt has created provisions that can be added to your living trust to make this work.



“The real freedom of any individual can always be measured by the amount of responsibility which he must assume for his own welfare and security.” Author Robert Welch (1899-1985)

Death and Qualified Accounts

- Sam Collins-

We all know that those with qualified retirement accounts (such as an IRA) who are 70 ½ or older have to take out a minimum amount each year in order to avoid penalties. In IRS parlance, this individual is referred to as *post required beginning date*. This minimum amount that must be drawn out is called a *required minimum distribution (RMD)*. The RMD is not a fixed



amount—each year a plan participant must take a larger percentage out of the account (value based on December 31 of prior year) as the participant ages. Incidentally, the penalty assessed by the IRS for not taking out the RMD is also not a fixed amount—it amounts to 50% of the amount that should have been withdrawn. It is probably one of the most onerous tax penalties out there.

The above does not apply to a Roth IRA. In the *original participant's* hands, a Roth IRA never requires a minimum distribution. But failing to take an RMD on a traditional IRA can be costly.



The above rules also apply in the year of death. When a person dies and they are post required beginning date, the RMD still needs to be satisfied. If the participant took the RMD earlier that year prior to their death, then the successor trustees do not have to worry about satisfying it (on top of everything else they are doing to settle the estate). If the RMD does not come out by December 31 of the current year, penalties can still be assessed. Many companies—but not all (more on this below)—bend over backwards to ensure that the RMD is taken, even when there has been a death.

So, what if someone who is past the required beginning date dies later in the year, say, October, November, or even December, and that person has not yet taken their RMD? It is still due on December 31. The IRA now needs to be administered, on top of the obligation to withdraw the RMD. In many cases determinations need to be made: for example, if the IRA were payable to the Family Trust as primary beneficiary, spouse as secondary beneficiary, the successor trustees would need to decide whether it would be better for them to disclaim the asset and

allow it to pass to the survivor. This can take time. Disclaimers need to be drafted, signed, and presented. Paperwork needs to be completed. In many cases, this can happen rather quickly, but sometimes there are impediments to getting the company to release the funds. One such example would be if the participant lives in a state with inheritance taxes, and the company requires an inheritance tax waiver before doing anything with the IRA. It might be many months before such a waiver could be obtained, causing the RMD to come out late. (Our Illinois clients can relax regarding that example; we have an estate tax, as opposed to an inheritance tax, and have no such waiver requirements.)

Considering all of that, what can you do to make things a little easier and head off the potential problems that can occur in the year of death? For starters, if you are taking your RMD later in the year (October, November, December), move it up a few months. **Aim to have your RMD withdrawn no later than July.** Next, **establish a regular schedule** for taking the RMD. Finally, for our married couples, make sure your **spouse knows when the withdrawal has been taken** for the year.

While our experience has shown that most companies are very accommodating to get the RMD out in those first couple months while an administration is underway and we are in the claims process, some have more rigorous requirements. If an RMD is missed while administration is underway, there is a procedure to ask the IRS to waive the penalty, but it's always better (and safer) to get the RMD out in advance.

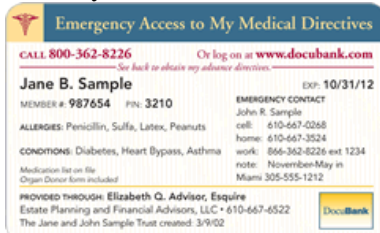
"One of the best ways to get yourself a reputation as a dangerous citizen these days is to go about repeating the very phrases which our founding fathers used in the great struggle for independence."

**Columbia University professor
Charles Austin Beard (1874-1948)**

Docubank®

- Sarah Rupe -

As a LifeSpan™ client, your DocuBank® membership is provided to you at no additional charge. No need to carry around copies of your Health Care Power of Attorney and Living Will. Remember to



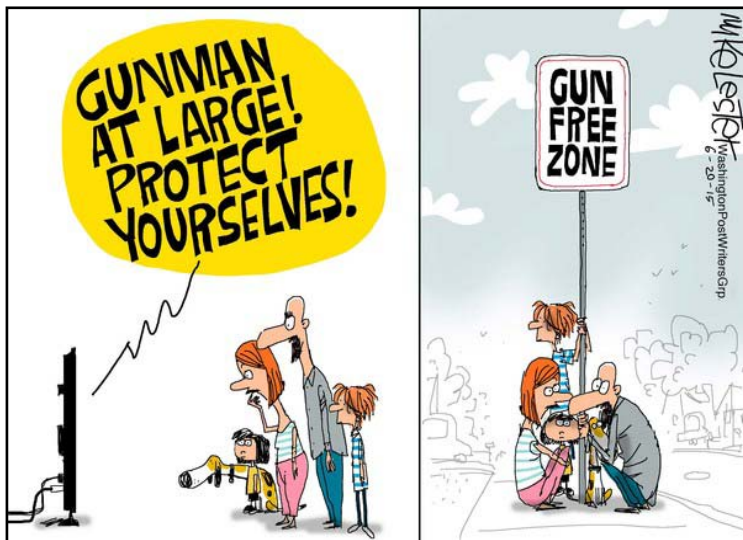
1. **keep your information current** in your online DocuBank® account (such as names and phone numbers of your Helpers and your doctor), then
2. **utilize your card** when your medical providers ask for copies of your medical directives.

As we suggested at the Annual Family Reunion™, has your Helper taken a picture of your document card, front and back, and saved it on their smart phone? As long as the information on the front of the card is available (your name, member number and PIN, and the Docubank® toll-free number and website) they can get a copy of your Health Care Power of Attorney and Living Will anywhere at any time.

Gun Trusts?

- Curt Ferguson -

Given Illinois' new concealed carry law, is there anything new you need to know about firearms and estate plans? For instance, we are sometimes asked



whether one needs a “Gun Trust” for a client’s firearms. It is almost never needed or appropriate.

Typically, a gun trust is drafted only to hold what are referred to as “Title II Firearms” such as machine guns, short-barreled rifles (e.g., sawed-off shotguns), silencers, explosive ordnance (such as bombs, grenades, mines, and types of rockets). Title II Firearms are, obviously, subject to a high degree of regulation. Interestingly, there have been only two murders since 1934 that involved legally registered Title II machine guns.

A gun trust is not needed for what are referred to as “Title I Firearms,” which include, but are not limited to, rifles, shotguns, and handguns—the vast majority of firearms owned in America. Title I Firearms can be single-shot, bolt-action, or semiautomatic, and are not generally regulated by the federal government.

For estate planning purposes, Title I Firearms are not substantially different from other types of tangible personal property: jewelry, memorabilia, sporting goods, and the like. These can be held in your ordinary living trust and distributed according to the terms of your trust. Under Illinois law, anyone in possession of a firearm must have a Firearm Owner Identification (FOID) card. When a client becomes disabled or dies, it is important that whoever comes into possession of their firearms has a FOID card.

Who Needs Us?

- Sarah Rupe -

We hope that you are sometimes asked: “*Who needs estate planning?*” If so, you could respond, “*If what you would leave behind for your loved ones—including insurance, retirement accounts, real estate, etc.—at this moment would make a noticeable difference in their lives, your estate is important enough—and big enough—to thoughtfully plan.*”

I want to remind you that each month we present our Introductory Client Orientation workshop called **The Truth About Estate Planning™**. This workshop is not only good for prospective clients who are looking into using our firm for their estate planning needs, it is also a good way for your kids and/or other

Helpers to understand a little more about the planning you've done (that's why we also call it **Estate Planning Made Simple™** as part of our **Made Simple Series™**). Our next upcoming workshops are

**Wednesday, July 8 at 9:00am and
Thursday, August 13 at 1:00pm.**

A list of our upcoming Truth About Estate Planning™ workshops is on our website under Educational Resources/General Public/Introductory Workshops. You can also obtain a list by calling us at 618-548-3729. Reservations are required because seating is limited and meetings are occasionally rescheduled.

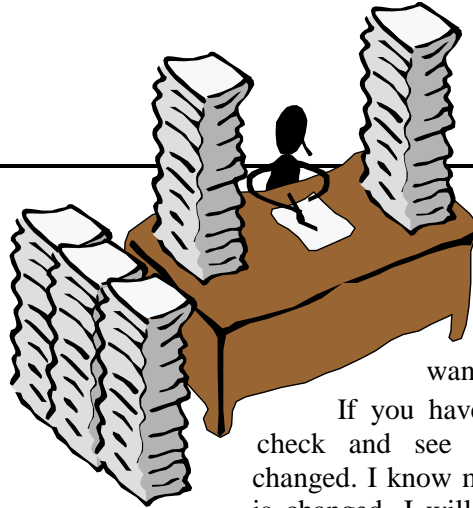
In addition, if you want to refer someone to us and have us invite them to this workshop, we just need their name and address. *We never call them!* We simply send them an invitation letter explaining a little about the workshop and that you said they might find it interesting. We send you a copy of that letter. If you have friends or relatives you think would appreciate what we do, call, email or mail us their name and address and we'll be honored to invite them!

Annual Business Conference

Are you *using your business entity*—corporation, LLC, partnership, etc.—as *effectively as you can for asset protection and tax savings*? Are you *setting the stage for the most efficient transfer of the business if or when you retire*? We collect ideas each year to help our clients who own active businesses accomplish those goals. In this 90 minute program we will provide tangible ideas for immediate or future implementation. Since this is the first time the program has been offered, we will also be looking for your ideas as well. What would you like to learn at an annual event of this type? Make a reservation early!

Tuesday, December 15: 1:00pm, Salem

"One who deceives will always find those who allow themselves to be deceived." Italian statesman and political philosopher Niccolò Machiavelli (1469-1527)



Funding Forum

- Sherry French-

Hope all is well with everyone! I have a few things I want to touch base with you all about.

If you have any Prudential accounts, please check and see if your account numbers have changed. I know most have. If your account number is changed, I will need verification for our file. In your LifeSpan Client Organizer™ (black book) behind **Tab 4** is a list of **Red Check Requirements**; if you don't understand what we need, give me a call.

If you trade in a vehicle that is titled in your trust, not only an individual but the car dealership will need documentation proof of your trust and who are the current trustees. That proof would be Article One of and the signature pages (in the **Black Clip** in your **Red Book**). As always, if it is during the week you can give me a call and I can fax or email what you need. **To properly title the new vehicle, use the form from Tab D of your LifeSpan Client Organizer™.**

Everything you do that reflects the ownership of your property needs to be accurate: your trust owns the land. Examples: USDA programs or crop insurance. If your farm ground is titled in your living trust, the USDA and insurance paperwork must show your living trust as owner of farm ground. Please check with your insurance agent about the rules of your insurance company. If the insurance pays to the Landlord (your trust, the land owner) does your policy match?

I know I joke around and say that I'm the only woman I know who gets paid to nag, but I do feel responsible for our clients getting all their assets in their trusts so that everything will follow their plan. I don't want your family mad at The Estate Planning Center or the Funding Coordinator if any asset left out of your trust will cost them extra fees or hassles. If you choose to leave something unfunded, we ought to have you sign a document that says,

"It's on me! Do not blame the Estate Planning Center or the Funding Coordinator for any asset I didn't bother to fund into my trust."

Some of the smallest things can create big hassles. This is the reason you hear a lot of things repetitively. You do not deal with transferring your assets into a trust every day. I do, so it's okay to give me a call.☺

Moralistic Therapeutic Deism:

Many of our clients either *are* Christians, *know* Christians, *like* Christians, or *like to criticize* Christians. If you're none of those, feel free to skip this article. This spring I ran across a concept called Moralistic Therapeutic Deism, or MTD, a term coined by sociologists Christian Smith and Melinda Lundquist Denton in a 2005 book based on a National Study of Youth and Religion research project. As a Christian, I found their insights fascinating, thought-provoking, and even challenging. I thought you might too. The following comes directly from a lighthearted, although pointed, website discussing the book and the concept:

"Five Points of Moralistic Therapeutic Deism:

1. A god exists who created and ordered the world and watches over human life on earth
2. God wants people to be good, nice and fair to each other, as taught in the Bible and by most world religions
3. The central goal of life is to be happy and to feel good about oneself
4. God does not need to be particularly involved in one's life except when God is needed to solve a problem
5. Good people go to heaven when they die.

"Why do we call it MTD?"

Moralistic: We should be good, moral people. Not born again followers of Jesus Christ—just, you know, "good people"

Therapeutic: The goal of this religion is to provide therapeutic benefits to its adherents. Not to worship, adore and obey the living God. God wants us to feel good about ourselves and have high self-esteem.

Deism: God exists and created the world, but then kinda just leaves us alone unless we need him to fix a problem or provide us with something.

MTD is a false religion created by and for members of the most rich, catered, defensive, politically-correct, over-protected, over-nurtured, over-fed society the world has ever known, and the fact that it uses the name Jesus and various select Christian buzzwords allows it to be passed off as Christianity. It has nothing to do with Christianity. But we are in the middle of an MTD epidemic."

You can read the rest of the webpage at <http://adam4d.com/mtd/> if you are interested.

"Laws which prescribe what everyone must believe, and forbid men to say or write anything against this or that opinion, are often passed to gratify, or rather to appease the anger of those who cannot abide independent minds." Baruch Spinoza (1632-1677)



888-293-2008 **Richard H. Ferguson** "I don't care how much you know until they know how much you care."

Change Service Requested



The LifeSpan Courier™ Summer Newsletter

THE ESTATE PLANNING CENTER

Curt W. Ferguson & Samuel L. Collins

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