

2005 Mid-Year Review

Can you believe summer is here? The month of May seemed to be a whirlwind of activity for my family with end of school year events. We are definitely ready for some rest and relaxation; perhaps you can relate. Here at the Estate Planning Center we just finished up a successful **LifeSpan Annual Family Reunion™ (AFR)** season. We held the programs in Salem, Marshall and Bloomington, with around 80% of our client families attending. Curt's presentations were very informative and educational for everyone who attended.

I personally enjoyed the chance to get reacquainted and chat with so many of you. It was nice to hear people saying things like *"this was the best meeting ever!"* or *"I really understood better this time than ever before."* It is clear that the overall comfort level increases each year, as clients understand their plans better and learn how to use them most effectively.

This year's emphasis on passing your "wisdom" and not merely your money reminds me of the Proverb *"Wisdom is supreme; therefore make a full effort to get wisdom."*

Gayla

"The reasonable man adapts himself to the world. The unreasonable man attempts to adapt the world to himself. Therefore, **all progress depends upon the unreasonable man.**"

George Bernard Shaw

With that in mind and fulfilling our mutual, unreasonable commitment to estate *Plans that Work*, let's focus on ...

Perpetual Progress!

Just in case you're one of the few who didn't make it to the **LifeSpan Annual Family Reunion™** in February or May, you'll especially need this recap of that meeting. For the rest of you, this three-minute read will reinforce the learning or remind you of things you should do!

First, we updated several Tabs in your **LifeSpan Client Organizer™ (aka Operator's Manual)** to reflect new tools, illustrations, schedules and the like. Last year we introduced the **Operator's Manual** to help you "operate" your estate plan more effectively; now it's better, and you can be sure it will continue to improve! (We handed out new Operator's Manuals to those who had not yet received them.)

We reviewed the new services available to you as LifeSpan members (*"included at no additional charge!"*) such as **Red Check Review™**, the **Funding Pro™ Asset Review Reports**, and expanded **Family Education Program** (more on these later) and announced the LifeSpan renewal fee, consistent with our "no surprises" policy.

Next we introduced our **"Perpetual Progress Program™"** for the coming years, and many clients indicated an interest in the new technical enhancements and personalization opportunities (see **Technical Training**, below) we are making available this year.

During the Legal Update segment, we reviewed the estate tax "coupon" changes and a brand new "Pet Trust" law that makes it easier for a client to provide for the ongoing (after the client dies) care of a pet. We also updated nearly half of the clients' health care documents as a result of the Health Insurance Portability & Accountability Act – the new "HIPAA" medical privacy law. (According to the Wall Street Journal, very few attorneys across the country initiated any updating with their clients on this topic, waiting instead for trouble to arise or the client realizes they needed to come ask for an update. *Fine; maybe we're just unreasonable!* ☺)

A common question in 2004 was *"when we bought a vehicle, the car salesman said we couldn't put it in our trust if we took the low-interest financing; what should we do?"* Since then we learned—and explained in the 2005 AFR—what to do! Appeal, since not all car salesmen know what they are talking about! (We added the "Jaguar Story" and "Corvette Story" to our repertoire, to go with School Bus Trusts, IRS Supermarket, etc.!) Other vehicle titling questions were addressed also, and Katie reviewed the whole "how and why to fund new assets" issue.

Many clients ask from year to year *"What happens to my trust and assets if I go to a nursing home?"* We have discussed this from time to time, but this year gave a much more detailed review and explanation. For many clients, we provided peace of mind, for others, some new hope, and still others, a specific course of action they need to take. Of course, nothing is better to protect your estate from the nursing home than a good long term care insurance policy; start there!

Then we explained a variety of ways that clients can and do protect their assets from lawsuits and other liability risks. Remember, a "School Bus Trust" only protects the assets as they pass to your beneficiaries, from *their* creditors, divorces and lawsuits. However, we explained how some assets are protected by federal law (see **New Protections for IRAs**,



below) or state law. By *just making your investment selections more thoughtfully, you can insulate your savings from lawsuits!* Many clients don't feel a "need" for life insurance; but life insurance, and the cash value saved up in the policy (and available to draw out to spend if you need to) receives special legal protection in the event you are sued. We also explained (1) how proper allocation of assets between the husband's trust and wife's trust helps limit lawsuit risks, and (2) how, when and why corporations, LLCs and limited partnerships can, *but don't always*, protect your estate.

Finally, we reviewed and updated you on the **Wealth Reception Era™** and **Wealth Reception Planning™** concepts that were introduced in 2004. The "*I come from a people who...*" exercise helped to illustrate how the "wealth" we have to pass on is not merely financial, but includes accumulated years of "wisdom" that is so often overlooked in estate planning.

How important is it to get your adult children involved in, or at least generally aware of, your estate planning objectives? The **Two Way Street™** illustration helped people see that for the plan to work—smoothly, efficiently, effectively—the next generation needs some training (to "look both ways!"). If you don't want them to think you are doing planning "to them" or paternalistically "for them"—either of which breeds rebellion to the wisdom built into the plan—then we need them to see you doing planning, in a sense, "with them" and with them in mind. That creates the best chance that they'll truly *receive*—and respect, preserve, add to and then pass on—your wisdom in the plan.

We'll keep building on these themes for next year. *Don't skip an AFR or you'll fall behind and miss opportunities to make a real difference with your legacy!*

Curt

Someone once said that "*experience is the thing you have left when everything else is gone.*" Our hope is that we can help our kids be quicker learners!

Law Firm TO DO's

Well, we've ended the AFR season and were very happy to see all of you that attended! We are now working on following up from your **Law Firm To Do** requests you gave us. *Please be patient with us.* If you haven't heard from us yet, remember that our guarantee is 60 days and we hope to be done *well before* that deadline!

Sarah

A minister waited in line to have his car filled with gas just before a long holiday weekend. The attendant worked quickly, but there were many cars ahead of him. Finally, the attendant motioned him toward a vacant pump. "Reverend," said the young man, "I'm so sorry about the delay. It seems as if everyone waits until the last minute to get ready for a long trip." The minister chuckled, "I know what you mean. It's the same in my business!"

Not entirely unlike estate planning!

The Funding Corner

Hello Everyone! Wow, June is here already and summer has definitely arrived with 90+ degree weather.

It was good to see all of you at our Annual Family Reunions. I have almost completed updating information to the new **Funding Pro™** system which creates all the new **Asset Review Reports**. Thank you for your patience with me, I do plan to have all clients' information transferred to the new system by this fall's **Client Update Programs**.

Everyone please remember to *inform me of any changes in your assets*, and mail or fax me copies of the documentation so I can send it by Curt's desk for the **Red Check Review**; this assures us and you that the assets are properly funded. I will record the changes in your file, make a copy for us, then mail you the "Red Checked" paperwork that you sent me to be placed in the Trust Transfer Document section of your Red Binder. Each client should have verification for each of their assets in that particular section of their Trust documents. Also remove any verification where the asset has been sold, closed, transferred etc. (inform me of those changes also). Keeping your information current will make it much more convenient and less confusing for you and your helpers.

Many of your funding questions are answered in TAB 5 of your Operator's Manual. Form letters and a copy of the first and last pages of your trust should now be there to help you title new assets correctly as you acquire them. Yet, as always, if you have questions concerning funding, *call me!*

Have a Great Summer! Katie

LifeSpan "Suggestion Box" Survey

The suggestions turned in at the **AFRs** included a lot of great ideas. Thanks to everyone! We will publicly announce the winner of the \$100 credit toward 2006 renewal fees at the 2006 **AFRs**.

Docubank®

One of the frequent questions or problems mentioned to me at the AFRs had to do with **Docubank®**. I want to remind you that your Docubank membership is paid by us as long as you are a **LifeSpan™** client! If you receive an invoice in the mail from them, please contact me immediately and I will call Docubank to clear up the misunderstanding. *If you receive a form from Docubank titled “**Docubank Member Information Sheet**”, please fill it out with any changes and return it to Docubank in the envelope provided to you. They are simply trying to keep their records of YOU up-to-date. Remember that you can go online at www.docubank.com to access and change your information as well. You will need your member # and access code, which are both on your Docubank membership card.*

Sarah

♪ A Musical Note ♪

It was a pleasure to see and visit with some of you at the AFRs this spring. We are really happy to be able to be a little more a part of the “LifeSpan Family” as the girls are getting older and it fits better into our home-education, music training and homemaking schedule.

We hope to visit more often and be more involved with the various events! Have a great summer!

Laura (& LaRae & Rachelle) Ferguson

“The human brain starts working the moment you are born and never stops until you stand up to speak in public.”
George Jessel

LifeSpan Learning Solution™

Following is a rundown of the scheduled events for the rest of 2005. About half of our clients need to attend a **Client Update Program**. The other, elective programs are available to serve you—to *help your estate plan WORK!*

Call at least a week ahead to make a reservation for ANY program!

Meanwhile, I hope you all have an enjoyable summer filled with lots of fun! If you ever have any questions, please call or e-mail me and I will do my best to help.

Gayla

Client Update Program™ (CUP)

This is an opportunity for our “ODD” year clients to sign and review updated legal documents. If you were at a CUP last fall you do not need to attend this year. If you are not sure whether you are an “EVEN” or

“ODD” year client, don’t worry, Gayla will be sending invitation letters to those who should attend. *The only CUP that is already scheduled is the one in Bloomington, so you folks in that area might want to get it on the calendar: September 29 at 1:30pm. (A Nuts ‘N Bolts meeting will follow that evening!)*

Remember, if you are an ODD-year client invited to the CUP this year, it means that *your legal documents are probably at least two years old and need to be updated.* Don’t skip out!

Family Education Program™ (Nuts‘N Bolts)

Learning from our **LifeSpan** experience with Family Education, we are sticking with the multiple workshops, targeted more to specific areas of need and interest. We will again offer *three different workshops* in the **Family Education Program** this year.

CALL ASAP TO MAKE A RESERVATION!

Some clients have been very successful in bringing the family to these programs in recent years, and for that *we congratulate and thank you.* Your family’s investment of time and effort in this way will help your plan work smoothly when it really needs to.

For all **LifeSpan™** members (except a few who have requested otherwise) *we sent a letter to your Helpers inviting them to the Family Education Program.* But don’t rely on that to get them to attend! *You need to follow up with a phone call and encourage them.* Here are more details on the three NNB programs:

NNB-I Nuts ‘N Bolts I: Overview

Who can or should attend? Clients, Successor Trustees, Heirs, Beneficiaries, Advisors and Curiosity Seekers!

Why Attend? If you attended a **Truth About Estate Planning™** (“Truth”) workshop in the last 5 or 6 years you may recall that what you learned there formed a foundation of understanding for developing and maintaining a forward-looking, thoughtful estate plan that includes significant added benefit—*wisdom!*—for the heirs. **NNB-I** is very similar in content: a big-picture view of the planning process for any interested family members to see what you saw and why you would do the kind of planning you have done. They’ll learn concepts like “School Bus Trusts”, “IRS Supermarket” and “Estate Tax Coupons.” For clients, especially married couples, this is a nice refresher and an opportunity to learn “*with*” your family. If you have been a client for long enough that you never attended (or watched a video of) a **Truth** workshop, this would be a good re-set for you, too. It would also be a good meeting for your professional advisors (investment, insurance, accounting) to attend.

Summer, 2005



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When Can We Attend? In Salem on **June 25** or **November 26**. Each is a **Saturday morning**; donuts, juice and coffee available at 8:30am, the program runs 9 to noon. In addition, *we're doing a special version on **September 29 in Bloomington** from 6 to 9pm which will blend in a little of **NNB-II**, very suitable for those who've never before attended any Family Education Program or Truth workshop.*

NNB-II Nuts 'N Bolts II: Transfer Process

Who can or should attend? Clients, Successor Trustees & Advisors; Heirs and Beneficiaries are welcome, but it's not as important for them. *(Any attendee should have previously attended within the prior 18 months a **NNB-I** or a **Truth** workshop or they'll be frustrated and bewildered!)*

Why Attend? If you are going to be the successor Trustee of a plan of one of our clients, then **NNB-II** will introduce you to the specific appointments and steps that are part of the **LifeSpan Settlement Security System** the actual hands-on process of carrying out a living trust at the death of the trustmaker. This is more for your Helpers, *not* so much for the Beneficiaries. Married clients, remember: you are probably the first choice as Successor Trustee for each other, so you should attend. The son, daughter, niece, sister, brother, etc. who is the first or second choice to be Trustee upon your death will want to attend this. Family members who are going to inherit, but aren't in charge of getting the job done, can probably skip this one.

When Can We Attend? In Salem, just one chance this year: **August 20**, a **Saturday morning**; donuts, juice and coffee available at 8:30am, the program runs 9 to noon.

NNB-III Nuts 'N Bolts III: Inheritance Training

Who can or should attend? Clients, Successor Trustees, Heirs, Beneficiaries, Advisors and acquainted Curiosity Seekers. *(Any attendee should have previously attended within the prior 18 months a **NNB-I** or a **Truth** workshop or they'll be confused and lost!)*

Why Attend? In this program we explore in more detail how a Beneficiary relates to and benefits from a Protective Trust ("School Bus Trust"). We explain the Trust Protection Spectrum, Special Needs Trusts, and Generation-Skipping Trusts. Instead of your kids hearing for the first time after you die, "*Your parents left your inheritance in trust forever!*" we want them see how you thoughtfully considered their "access and control" balanced with "protections from creditors, divorce, etc." If you die and they learn about a protective trust for the first time, they may react,

thinking you "*did it to 'em*" and chafe under it. Let us show them the pros (many) and cons (few) in advance.

When Can We Attend? **NNB-III** will only be offered one time. **December 6**, a Thursday evening, the program from 6 to 9pm (light snacks only).

Community Builder/Bridge Builder

If you would like a reason to gather with multiple generations of your family with an excuse to talk about estate plans (**Bridge Builder**) or would like to get better acquainted with other caring-minded clients (**Community Builder**) or both, then try to join us for the **Community Builder Cookout: Saturday, June 25**, noon (immediately following the **NNB-I** workshop). Dress casual for hamburgers on the grill at Curt's home.

NOTE! If you have attended **NNB-I** or a Truth workshop in the past 12 months, **you're invited to the cookout even if you don't attend the **NNB-I** that morning**. Send the kids to **NNB-I** and you meet them for lunch!

Technical Training Program™

Under the category of "Technical Training Program" on the LifeSpan Learning Solution, and based on the widespread interest indicated on the surveys at the AFRs, *we are offering three* Technical Training Programs this year for those interested in adding greater flexibility to their plan, or securing greater protection for their estate:

- **Hit Parade:** *how Limited Powers of Appointment add flexibility to a married couple's estate plan.* This program will explain how we can amend your living trusts to provide retained flexibility for the surviving spouse even after one of you dies. The program only applies to married couples. At the end of the program, you can check a box to let us know if you want the amendments to your plan, and they'll be included in your CUP legal update. **Tuesday, July 12, 6:00pm.**
- **Medicaid Planning Workshop:** This is open to *our clients plus your guests*; bring your aged parents, grandparents, neighbors...anyone you care about who has a fear of losing their assets to the nursing home. The short educational program at the AFR inspired considerable interest, so we are offering a complete workshop devoted to nursing home protection and Medicaid planning. *Get the facts* about penalty periods, disqualification, look-back, gifting limits, life estates, and all the other technical issues. Anyone who can't get a good, comprehensive long term care policy and is worried

about losing assets to the nursing home should come to gain peace of mind. **Tuesday, July 26, 1:30pm.**

➤ **Lawsuit Protection Workshop:** This is open to *our clients plus your guests*; bring your family, friends, neighbors... anyone you care about who has a fear of losing assets to trial lawyers and lawsuits. The short educational program at the AFR inspired considerable interest, so we are offering a complete workshop devoted to asset protection. Get the straight scoop on what can and can't be taken by a suit; how limited partnerships, limited liability companies and corporations can help; how and when trusts help. Anyone (including those in high-risk professions) can come to gain peace of mind or learn what they need to do. **Tuesday, July 26, 6:00pm.**

Watch for a **Retirement Plan Review Program** and a **Generation-Skipping Tax** workshop next year for those who expressed interest. *Thanks for your patience!*

LifeSpan Meeting Tips

Remember these tips when you are coming to a LifeSpan program:

- If Curt is teaching, the room will probably be cool. Bring a sweater if you're cold-natured!
- We will serve light snacks only unless we specifically tell you there will be a meal.
- Bring **Red Books** *only to the CUP*; bring your **LifeSpan Client Organizer™** to all events. Helpers with a **Helper Handbook** should bring it.

New Protections for IRAs

Your IRA is now protected from virtually any claim, lawsuit, etc. that could be brought against you. The U.S. Supreme Court decided in April that IRAs are technically not stock bonus, pension profit sharing or annuity plans or contracts, but were "similar" in that they had the primary purpose of enabling Americans to save for their retirement and should have the same protection as employer-sponsored retirement plans. Also, the "*Bankruptcy Abuse and Consumer Protection Act of 2005*" signed into law on April 20, 2005, provides for complete lawsuit protection of *rollover IRAs* (i.e. from a company plan upon retirement) and up to \$1 million of traditional *contributory IRAs* will also be exempt from claims/lawsuits of creditors. Because of the differing exemption amounts, if you want to maintain the maximum "lawsuit protection" possible for your IRA and you have a very large account, any rollover IRAs should be kept separate and distinct from contributory IRAs and labeled as such.

"The most terrifying words in the English language are: 'I'm from the government and I'm here to help.'"

Ronald Reagan

A Wealth of Wisdom

With our increased focus on passing "Wisdom" as part of your "Wealth" we thought we'd share with you some bits of our favorite wisdom...

- ❖ A cynic is a man who knows the price of everything and the value of nothing. – *Oscar Wilde*
- ❖ Never live in the past but always learn from it. – *unknown*
- ❖ Remember that what you give will afford you more pleasure than what you get. – *Life's Little Instruction Book-Vol. II*
- ❖ The taxpayer: That's someone who works for the federal government but doesn't have to take the civil service examination. – *Ronald Reagan*
- ❖ Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. – *Thomas Jefferson*
- ❖ Life is what happens when you are making other plans. – *unknown*
- ❖ Don't waste time waiting for inspiration. Begin, and inspiration will find you. – *Life's Little Instruction Book-Vol. II*
- ❖ If you will think about what you ought to do for other people, your character will take care of itself. Character is a by-product, and any man who devotes himself to its cultivation in his own case will become a selfish prig. – *Woodrow Wilson*
- ❖ Your actions indisputably reflect your values. – *C.K. Bailey*

We're Honored By Your Trust

We still provide monthly **Truth About Estate Planning™** client orientation workshops for incoming clients. Our best referrals come from YOU and we're honored when you recommend us! We'd love to have your family or friends attend our monthly workshops. If you would like for us to invite them, just call or email us their name and address and we'll send them an invitation letter with your name mentioned as the referral. As you know, all we do is invite them by letter, *we do not call them.*

Our next workshops are as follow*:

- Thursday, June 23, 2005 600-900pm (in Salem)
- Thursday, July 21, 2005 600-900pm (in Salem)
- Tuesday, August 23, 2005 600-900pm (in Salem)

**Reservations are required, even if made the day of the workshop.*

Get involved with your local governments. As someone said, "Politics is too important to be left to the politicians." – *Life's Little Instruction Book-Vol. II*

E-Mail Addresses

Some of you may have inaccurate information about our e-mail addresses. Here are the correct ones:

Sarah Graham.....tlcplanning@ussonet.net
Katie Helm.....katieh@ussonet.net
Gayla Ball.....gayla@ussonet.net
Curt W. Ferguson.....cwf@ussonet.net

Action Summary: What to DO NOW!

As usual, here is an "action summary" to make sure you take appropriate action and get the most from your LifeSpan services agreement!

- **Review the LifeSpan Learning Solution** events above (pages 3 – 5) to decide what you want or need to attend.
- **Talk to your Family** about the **Family Education Programs** (Nuts 'N Bolts) from which they would most benefit. Promise to attend with them if that's what it takes to get them there!
- **Call ASAP** (but absolutely no later than a week ahead) to reserve a place for yourself and (especially for NNB events) any family members or Helpers who can attend with you, and
- **Mark the dates** of any events you are attending on *your calendar!*

Call Gayla or Sarah at 866-900-2878 if you have any questions.

THE ESTATE PLANNING CENTER

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"Take my **instruction**, and not my silver, and **knowledge** rather than choicest gold. For **Wisdom** is better than jewels; and all comparable things can not compare with her." Solomon