



Summer, 2011

PLANS THAT WORK. PEOPLE WHO CARE.™

Education Update

- Gayla Ball -

Believe it or not summer is here, again!! The months just seem to fly by, that surely isn't a sign I am getting older, is it? ☺ Anyway, I hope your family is like mine, and making the most of these summer days.

Annual Family Reunion™

We had an excellent turnout for the **Annual Family Reunions™** (AFR) this spring! Those who attended were able to update their **Client Organizers** and heard the latest on the proper use of their plan, correct titling of assets, and education opportunities (2011 **LifeSpan Learning Solution™** calendar) for them and their Helpers. It is always good to “catch up” with you there. Those of you who missed it will just have to wonder about all the great content—or get a DVD—contact us for details.

We started a tradition: **Funding Report Card** is a way of keeping the importance of funding before you. Less than 1 in 4 clients is 100% funded. We hope you will help us raise that level before the 2012 report card comes out. Read Sherry's *Funding Forum* for more on that.

The **2010 Tax Act** was a major topic, as well as Illinois' new estate tax. They provide important planning opportunities for clients with larger estates,

MODERN WISDOM: “What entitlements do, and what the transformation of entitlements into rights does, is create a citizenry that increasingly lacks the most important character trait—gratitude. ...Grateful people are happier, and grateful people are more morally decent. ...But the welfare state undoes that. One does not express thanks for a right. So, instead of 'thank you,' the citizen of the welfare state is taught to say, 'What more can I get?'” - Dennis Prager

as well as some great income tax news for all. We addressed this in more detail at the **Advanced Tax Planning under the 2010 Tax Act** class presented three times (which is available on DVD and on the

website for those of you who missed it). Many of you took advantage of those workshops in Salem and Bloomington. We received a lot of positive feedback from those who did attend. Quite a few of our clients

can really take advantage of the tax laws this year and next to move a lot of wealth tax-free!

In June we held **My Spouse's Estate Made Simple™**, the latest in our **Made Simple Series™**. There was a full house for this workshop. We actually had a waiting list for those clients that were hoping to attend. This is a good reminder that our workshops *do have limited seating* and require a reservation. We are glad for your Helpers to attend any of our programs, but it is very important they have an early reservation to insure they will be able to attend.

Family Education Program™

I am already taking reservations for **Receiving My Inheritance Made Simple™** in Bloomington September 8 and in Salem November 26. About 90% of our clients *have not yet* had Helpers attend this class, so that probably includes you!

2011 Client Update Program™

Now, those of you who are ODD year clients, it is your year! Our **Client Update Program™** (CUP) is where we update your living trust and supporting documents. You'll be receiving an **Estate Planning Review Worksheet** (EPRW) in the mail. It is *critically important* that you return this with any changes you want to make in your plan, or indicate if there are no changes to be made. Sign and return it either way. We must have this prior to you attending your CUP, so we can prepare your documents. *Attendance is critical in order to get the latest legal document updates*, unless you want to schedule a **Personal Counselling Review™** (with the appropriate fee) to review and update your plan individually.

Community Builder™ Event

Finally, don't forget our annual **Bluegrass Family Fun Night on Friday, September 23**. Curt will be cooking on the grill, and there will be some great music, so mark your calendar and call to make your reservation!

Prospective Clients

New clients? Everyone starts at our **Truth About Estate Planning™ Introductory Workshop** offered monthly. Send your friends!

Orientation 





Then and Now

1967	2011
Long hair.....	<i>Longing for hair</i>
KEG.....	<i>EKG</i>
Acid rock.....	<i>Acid reflux</i>
Seeds and stems.....	<i>Roughage</i>
Going to a new, hip joint.....	<i>Getting a new hip joint</i>
Rolling Stones.....	<i>Kidney stones</i>
Screw the system.....	<i>Upgrade the system</i>
Passing the drivers' test.....	<i>Passing the vision test</i>
Whatever.....	<i>Depends®</i>

If that doesn't make you feel old, try this: the people who start university this year were born in 1993. They are too young to remember the space shuttle blowing up. Their lifetime has always included AIDS. Bottle caps have always been screw-off and plastic. The CD (compact disc, not certificate of deposit!) was introduced four years before they were born. They have always had an answering machine. They cannot fathom not having a remote control. Popcorn has always been cooked in the microwave. They never took a swim and thought about *Jaws*. They can't imagine what hard contact lenses are. They don't know who Mork was or where he was from. They do not care who shot J. R. and have no idea who J. R. even was. They don't have a clue how to use a typewriter.

- submitted by Al LaRue

Funding Forum

- Sherry French -

Wow summer is here already! Time does fly by when you are having fun! I want to thank everyone for all your hard work in keeping your assets up to date. As Curt mentioned at the **Annual Family Reunion™** we are starting a new tradition—a **Funding Report Card!** 84.4% of our clients' assets are Red Checked™. 22.5% of our clients are 100% Fully Funded...but this is *of the assets we know about*, and many of you admit that you have failed to let us know about assets! Good news is of the clients that are not *quite* Fully Funded some of you have an old pickup truck worth \$500.00 and Curt said it was okay to leave it out of your trust. Bad news is there are still items not check marked that should be! Please review your **Asset Review Reports** and if there is not a check mark by an asset, is there some good reason you haven't sent in paperwork for Red Check Review? I look forward to seeing how we can improve our Funding Report Card for 2012!

Some of you have out dated **Letters of Direction** (LOD) forms. They should be in your black Client Organizer behind Tab 4. Please check and see if our address (The Estate Planning Center) in your forms is incorrect (old address P.O. Box) or if any names have changed (i.e., daughter got married?). Just let me know and I'll make new form Letters of Direction for you to make it as easy as possible to title new assets.

Also, remember *as you acquire new assets to mail me paperwork for Red Check Review™!*

Enjoy your Family and Grandkids this summer.

Docubank

- Sarah Rupe -

I just want to spend a little time reiterating the importance and usefulness of your existing **Docubank®** membership. This is something we provide to you, our LifeSpan clients, at no additional charge.

Occasionally a client calls to ask us to fax someone their Health Care Power of Attorney. We care, so we do so with a smile. *However*, that is the convenience of Docubank®! Your health care directives (Health Care Power of Attorney and Living Will, plus the names and phone numbers of your doctor and Helpers you have named) are always available thru Docubank®. Docubank® is automated and responds immediately, 24-7. Even during business hours they are quicker than we are!

Also note that you can update your **Docubank®** information (like Helpers' phone numbers, allergies, medical conditions, etc.) by going to the website. Please take advantage of this service. If you have questions or lose your card, don't hesitate to call me.

Three quick points and I'm done:

1. Carry your **Docubank®** card in your purse or wallet. If you are hospitalized, show the admissions personnel your card and with a phone call, they will have your health care directives.
2. Read our mail and respond! Even if your response is just calling me to ask, "*What am I supposed to do with this?*"
3. If you change your email address, please let me know. Email me at sarah@tlcplanning.com.

"There are two ways to get enough. One is to continue to accumulate more and more. The other is to desire less." - unknown

Court Ruling Impacts Farmers

- Sam Collins -

Many Illinois producers take advantage of forward contracting with grain buyers to lock in a good price, in exchange for promising to deliver a certain amount of grain at harvest time. Such arrangements bring some sense of certainty to the ever-changing commodities markets. Most of the time this works well for producers and grain buyers. But, what happens if the grain buyer has its license revoked by the Illinois Department of Agriculture sometime between when the contract is signed and the time of delivery?



An Illinois court recently dealt with this very issue in the case of *Timmerman vs. Grain Exchange* (235 Ill. 2d 606, 924 NE2d 461, for those of you who like case cites). In this case, Grain Exchange lost its license to deal in grain. Commodity prices had increased since the time the contracts were signed, so farmers sued seeking a legal ruling that the contracts were invalid. The court agreed with the farmers, holding that the moment Grain Exchange lost its license, all unassigned grain contracts became unenforceable. Thus, the farmers were free to market their grain elsewhere at higher prices. The Illinois Supreme Court has recently decided not to hear an appeal, leaving this the current law.

In *Timmerman*, the decision helped the producers since commodity prices had increased since the contract; however, there are two sides to this coin—if prices were to go down, and the grain dealer’s license were revoked, the contract would still be unenforceable. This decision brings a little more uncertainty to grain markets (but it only comes into play if the dealer contracted with loses its license *prior* to assigning the contract to someone else). The real impact of this decision may be that lenders will start disregarding the value of forward contracts in loan decisions.

Three Rules: Some wisdom is simple. William Galston, former advisor to President Clinton, found that in order to avoid being poor you must do three things: (1) graduate from high school, (2) wait until age 20 to have children, and (3) wait until getting married to have children. Only 8% of people who did those three things are poor. But one who breaks any one of these has a 79% chance of ending up below the poverty line.

“Learn to say no. It will be of more use to you than to be able to read Latin.” Charles Spurgeon

Made Simple Series™



As you may recall, our **Family Education Program™** now consists of the following five presentations, called the **Made Simple Series™** targeting five major areas:

1. Estate Planning Made Simple™ forms the foundation and is available every month. Check our website for the **Introductory Workshops** schedule. This is where your ‘kids’ might start and hear what you heard that made sense to get you started.

2. Disability Transitions Made Simple™ is about all the tough decisions that have to be made as a client starts to need assistance from family helpers. We have this available as a recorded webinar, watch it anytime on our website.

3. My Spouse’s Estate Made Simple™ helps prepare you for the most traumatic event in a married person’s life: the death of your spouse. This was presented June 18 in Salem and got great reviews. We recorded it and *you can watch it on our website* anytime, and your kids could watch it, too. Attendee Mary Jane Bierman wrote (emphasis hers):

*“We want to say thank you for Saturday’s workshop. We wonder sometime if we need to come to the workshops. After we attend we understand why we need to continue to come. Every time we come we learn something new! Saturday was no exception. The Family Trust tax info was eye opening - as was the information about the capital gains tax ... The fact that you guys are there for us now and will be after one dies is a **big relief**”*

4. Receiving My Inheritance Made Simple™ is planned for September 8 in Bloomington and November 26 in Salem. If you are trying to get your ‘kids’ to attend the best program to learn what your estate plan is doing for them, **this is the one**. Only about 10% of our clients have had helpers attend this program (presented twice in 2010).

5. Receiving Wisdom Made Simple™ was last held for November 27, 2010, in Salem. This is for families who care about passing on more than ‘just’ the money and property, and are interested in activities and ideas for a continual transfer of wisdom from one generation to the next...and beyond.

Don't forget to **SAVE ME** in Tab 9 of
your LifeSpan Client Organizer™!



Settlement Is Not Simple!

- Sam Collins -

Our **Family Education Program**™ is an effort to explain as simply as possible how estate settlement works. Many people have been told (not by us!) that there is very little work to do at death when the person (Trustmaker) had a living trust, and practically nothing to do at the first death of a married couple. Often, people are surprised to discover that there are nearly as many counselling issues in settling the first estate as there was in creating the plan. By now, I've been blessed with the opportunity to meet most of you; as most of you know, I joined the firm just this year. Since most of my time here at The Estate Planning Center involves settlement, I have gained an appreciation for the enormous amount of work and counselling that goes into properly settling a trust and estate.

No estate plan is automatically carried out at death. An ordered settlement process is critical because we want to accomplish all benefits designed into the Trustmaker's plan. If settlement is not done correctly, the Trustmaker's intent will not be followed, and advantages built into the estate plan may be lost. Through the process of settlement, we secure the plan's assets and obtain valuations, and make certain that the trust protections (school bus) and tax exemptions are secured, all while making sure sufficient assets are at the surviving spouse's disposal.

What changes does a living trust undergo at death? For starters, the deceased spouses' trust has changed: new trustees step in, the trust title changes (to something like the John Doe Administrative Family Trust) and a new identification number must be secured from the IRS. There is a new owner! This must be communicated with the proper documentation to all institutions holding trust assets. These important items are all addressed at the first Settlement Counselling Session. With the appropriate documentation, we begin to secure date of death valuations on all financial accounts, annuities, IRA's, insurance policies, etc. Appraisals must be obtained for real estate and business interests. These date-of-death values set the basis of the asset, and set the value of the estate for estate tax



purposes. While we are obtaining this information, we are also retitling assets from the Trustmaker's "living trust" to the "Administrative Trust" as this trust will also have its own tax return filed the following year. This whole process takes months.

Once all assets are accounted for and we have a clear picture of the estate's value, it's time to effectively "check out of the IRS supermarket." For estates with assets over 2 million, we now have to split the Administrative Family Trust into two trusts—one to hold the Illinois estate tax exemption, the other to hold the overage up to the applicable Federal Estate tax exemption (currently 5 million). If there are more than 5 million in assets, the Marital Trust must be formed and funded (and left "inside the supermarket" with the survivor). Our plans are flexible as to what assets go into which trusts, and there are a lot of estate, capital gain, and income tax considerations. We also analyze the advantages to disclaiming certain properties, or utilizing what we call the "poorer spouse" technique, if you included that flexibility in your plan.

While there are a lot of considerations in settling a trust, the good news is that the law recognizes this, and gives us at least 9 months before most major decisions must be made and estate tax returns must be filed.

And more good news: for LifeSpan™ clients we take the lead and get it done, with settlement fees that are substantially below what other professionals charge. We're helping you make your estate plan work, all the way to the end!

Docubank SAFE® Service

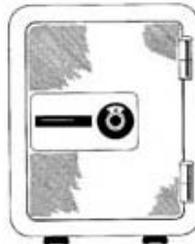
At the Annual Family Reunion™ we introduced a new service called **Docubank SAFE®**. Many clients expressed an interest, and we followed up individually with them. But now that the service is up and running, more of you might be interested in it.

You will recall that Docubank® is the internet-based storage system for your health care directives. Anyone holding your Docubank® card can call the 800-number on the card, give your member number and PIN, and Docubank® will fax your health care power of attorney, living will, and list of emergency contact helpers (with phone numbers) on request. Some clients also keep a list of medicines and medical conditions in this system, so that information would also be faxed. Furthermore,

anyone with your card in hand can go on the internet and, using your member number and PIN from the card, view and print the same information. You have an additional password (if you don't know, call us and we can help you with it) that allows you to go to Docubank® online and update your list of helpers and their phone numbers.

New, no-charge Basic Docubank SAFE®

With the new "SAFE" service you can create a second password and open a second level of storage: your **Docubank SAFE®**. From your own computer—if you have the ability to scan documents—you can upload "pdf" copies of anything into your Docubank SAFE®! If you give the password to members of your family they can go onto *their* computers and look at whatever you have "stored" there. Some have suggested that they would store copies of their estate plan documents (living trust, will, etc.) plus copies of deeds, insurance policies (homeowner, auto, life, health, long-term care, etc.) and even some type of personal legacy statement. Only persons who have your Docubank® membership number and PIN, *plus* the first password that you use (i.e., to change contact info or your health care directives), *plus* another password that you create, can ever see, remove or replace documents stored in this Docubank SAFE®.



This new Basic Docubank SAFE® service is provided to you along with your existing LifeSpan™ Member services...that means no additional charge!

If you do not have the ability to scan and upload pdf files to the internet yourself, we can do it for you on a pay-as-you-go basis. We presently charge a flat fee of \$5 per document; we would use your password access, as though we are you. With this service, we would only update (remove or add) contents of your on-line "SAFE®" in the future at your request.

Docubank SAFE® Premium

On the other hand, you might want The Estate Planning Center to take responsibility to always keep your **current** base estate plan documents (Living Trust, Pour-Over Will, Living Will, Health Care Powers of Attorney, Special Durable Powers of Attorney) in your Docubank SAFE®. That is what we call the **Docubank SAFE® Premium** service.

For an additional, annual fee added to your current LifeSpan™ membership (\$35 for singles, \$50 for a married couple) *we will* upload your base estate plan documents for you and whenever you update those documents we will remove and replace the outdated

documents with the new ones. In this way *we will keep a "virtual copy" of your current* legal documents from your Red Book in your Docubank SAFE® for you and your family. If you want members of your family to be able to read them and/or print out a copy, just give them the password. Your password allows you to view and print those documents; a separate "provider password" will allow only the law firm to add and remove those documents that we place in your Docubank SAFE®.

Confidential Access to your SAFE

Whether you decide to use the basic Docubank SAFE® service at no additional charge, allow us to do the scanning and uploading for you, or subscribe to the Docubank SAFE® Premium service, or any combination, access to the information will be password protected. As part of your confidential client file here at the firm you can provide us with your passwords you create. If you direct us to, we will either hold that password completely confidential, or will share it with people you specify and at times that you approve, such as sharing the password with your children at the time of your death.

Let us know if you would like to subscribe to the Docubank SAFE® Premium services. Also, if you use the Basic Docubank SAFE® Service and want us to keep your password in your confidential law firm file, let us know.

Estate & Trust Settlement

- Gayla Ball -

As many of you know, attorney Sam Collins joined us this year at The Estate Planning Center. I have been working closely with him in our Settlement department. Time and time again we see the value of the knowledge our clients and their helpers have received from our education programs. Occasionally, we are reminded that a surviving spouse or family member may need more support than we have anticipated. We are doing our best to continue refining and improving our process.

To those of you that have lost a loved one, I hope we have been able to bring some comfort as we guide you through the settlement process. I know losing a loved one is very difficult and stressful. Please remember if you ever have questions for me, do not hesitate to call or e-mail...Take care and enjoy your summer!

www.tlcplanning.com

Client Resources: Username & Password

Have you tried out the new, exclusive Client Resources area on our website? You can access it by using the username [clients call our office for this] and password [clients call our office for this]. See the new videos and other materials that are available only for people who care...people like you!

THE ESTATE PLANNING CENTER
Curt W. Ferguson & Samuel L. Collins
919 West Main
Salem, IL 62881



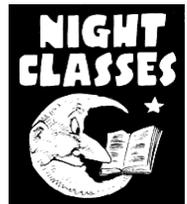
"I believe that people don't care how much you know until they know how much you care." Richard H. Ferguson 1936-2008

www.tlcpplanning.com now provides even more resources!

Have you been to our website lately? By the time this newsletter is in your hands, we expect to have a section of the website which includes *exclusive* Client Resources—not available to the public at large, but rather resources you have paid for and which we are making available only to you and your family! By logging into this exclusive area, you will find the following, with more to come!



- Sample **LifeSpan Client Organizer**TM
- Sample **LifeSpan Helper Handbook**TM
- **Video of My Spouse's Estate Made Simple**TM along with handouts from that program.
- **Video of Advanced Tax Planning under 2010 Tax Act**, along with handouts from that program.



We have also moved the recorded webinar of Rick Randall's **Disability Made Simple**TM program to this exclusive area, so you and your family can watch that anytime as well.

Over the years we had a goal of getting more of our **LifeSpan Learning Solution**TM workshops on-line for those clients and family members who have difficulty traveling to our in-person workshops. If you or your family members watch one of the complete video programs on-line, be sure to send us an email to let us know. This helps qualify your family as 'participating' in the **Family Education Program**TM.

The username and password to enter this part of the website are inside this newsletter. Please use discretion about sharing them; we want you and your family 'Helpers' to have the information, but people who are not clients have not paid anything to have access to this material. Don't give it away for free!

At least occasionally when you use the website, send us an email. We want to know what you like and what you don't!

"Everyone thinks of changing the world, but no one thinks of changing himself." ~Leo Tolstoy