The LifeSpan™ Courier:
TLC Planning™ Client Newsletter

Renewing Commitments

Here it is, Christmas and time to renew our mutual commitments to the people who matter most to us. Again, we are grateful for the opportunity to assist you in your commitment to your loved ones by helping assure that your estate plan will work. Thank you for the trust you place in us each year.

Our New Home!

Our new address will soon be **919 W. Main**, Salem. The humble house you see below is being remodeled as this newsletter goes to print, and by mid-January will be our new office!

We are incredibly excited about the possibilities in our new 'home'—especially the ability to do our smaller educational meetings right there on site.

You'll hardly recognize it when our work is complete! Parking will be out back. Please join us for one of our Open House celebrations. We want to give you a tour!

A Year Behind – A Year Ahead

Yet another year is behind us and, without question, the year ahead holds many exciting changes and opportunities for our firm and you! Stay tuned in so you don't miss anything we have to offer.

We want you to receive appropriate assistance—*whatever it takes for you!*—to give you complete peace of mind and to assure that your estate plan meets all of your expectations.

In 2007 you will see many of the same commitments you have come to expect from us in the past: legal document updating, education on the current status of tax laws, trustee training to prepare your family for the 'Nuts 'N Bolts' of settling a trust, Red Check Review™ funding assistance, word processing amendments at no additional charge, and prompt return of phone calls to answer your estate planning questions. This is all provided as part of your LifeSpan Membership for 2007.

For those who are interested in further enhancing their non-financial impact on their families, you will also see an expansion of the 'legacy building' and 'Wealth Reception™' concepts that we introduced in 2005 and 2006. Curt has been to more training and continues to pick up more ideas we believe will be of great interest to many of you. Some of this material goes well beyond 'estate' planning and will therefore be spun off into a separate track of services for those of you who are interested in developing your complete legacy, beyond the 'estate' planning. (Curt's family even started a project with the **Legacy Link**™ enclosed, which is being sent to thousands of southern Illinois families!) Participation in these targeted programs is completely voluntary, of course!

As you consider what you want from your LifeSpan Membership in 2007, review the summer newsletter and the 2006 AFR materials. You should recall the **Belonging Balancer**™ and **Scaling the LifeSpan Summit**™ describing the various 'camps' where you might feel comfortable; it's about serving you!

Annual Family Reunion™

Every LifeSpan client should attend one of the **Annual Family Reunions**™ (**AFR**). We will continue using this as our core educational event covering information applicable to all LifeSpan clients. We'll update you on personnel, fees, tax law changes, and our services, and we will *introduce* the available 'extra' programs that you might want to attend.

Be sure to sign up for your first and second choices for Annual Family Reunion, and return your registration form as soon as possible with your renewal fee as shown on the registration form. First received by us will receive priority where space is limited!

Note that we will be holding an **Open House** at our new office immediately after the March 6 and the April 28 AFRs; we will be having an Open House on February 15 as well.

> "He is a man of sense who does not grieve for what he has not, but rejoices in what he has." *Epicticus*

Client Update Program™

One couple who attended the 2006 **Client Update Program** (**CUP**) made Curt's day: *"When we first became clients,"* they said, *"we felt lost at these meetings, like everything was going over our heads. But this time it really is starting to make sense. We feel like we're understanding it now."* This was their 4th event, I believe, in about two years. This is true of many clients, who have expressed these thoughts in various ways. At the same time, we know there are some of you who are still feeling like it's 'over your head' ... but you might have to admit you haven't been to enough meetings to allow the concepts to sink in and make sense.☺

In 2007, our 'odd year' CUP clients will receive complete updates of their living trusts, as well as other enhancements to their plan they might request during the year. The CUP dates will most likely be August and September; exact dates will be announced around July.

Our 'even year' clients were provided a **Design Template** in 2006, which provides a summary of the legal-technical foundation of your plan. Clients in individual as well as group meetings have expressed that this is a very useful 'blueprint' (flowchart) around which to understand the legal details of their plan. The odd-year CUP clients will receive templates in 2007.

> "Once the government becomes the supplier of people's needs, there is no limit to the needs that will be claimed as a basic right." *Lawrence Auster*

Technical Training Programs™ Produced Improved Plans

Last year we offered more **Technical Training Programs**™ (**TTP**) than in prior years. As you may recall from the **AFR** or from attending the **TTP**, as time goes along we find areas of estate planning that we believe you should hear about, because you can get better, or at least different, results than previously considered. These take the form of *new planning opportunities* sanctioned by the government or new ideas developed in our network of attorney colleagues. We also referred to this as the **Perpetual Progress Program**™ since we, your LifeSpan law firm team, are perpetually looking for ways to improve our clients' plans.

The whole point is to *let you know* when there is something that is available to you that can produce a different (potentially better) result for your family, and to give you enough information to make an informed decision as to whether you want that result. The difference between this and the more routine legal document update—what we provide at the **Client Update Program**™ or **CUP**—is that the **TTP** programs address 'optional' improvements. It these aren't changes we can just 'stick in' your legal documents without giving you a choice. You might like the different planning result, i.e. in your family you would consider it a *better* result, but we recognize that it doesn't fit everyone. You need to hear about it to see whether you like it.

The examples last year were **Limited Powers of Appointment** (also referred to as 'Hit Parade Flexibility'), **Generation-Skipping Trusts** and the **Poorer Spouse Technique**. The first two were 'new' ideas based on old law; the latter was a new legal opportunity recently 'blessed' by the tax courts.

Over the course of the summer, many clients attended the **TTPs**, and well over half of those in attendance chose to change their plans to achieve what they felt would be *better results for their families*.

Of the clients who looked at Generation-Skipping Trusts (not skipping their kids, but skipping taxes!) about 50% decided to add the 'GST' provisions to their plan; they felt this was a significant improvement for their family. Of clients who attended the Limited

Powers of Appointment program, 63% opted to add the legal provisions to their plan. Finally, of the couples who considered adding the Poorer Spouse Technique to maximize their estate tax exemptions and asset protection opportunities, 58% said "yes" to add it to their plan.

Of the folks who attended and *chose not to change* their plans, by attending the programs they learned more about what is possible, and made an informed decision to stay with their existing plan; they liked the results they were already getting, after considering additional options.

All of these improvements were made to clients' plans without any extra plan maintenance fees or charges!

"When we are planning for posterity, we ought to remember that virtue is not hereditary."
Thomas Paine

Giving & Saving for College

Many of our clients have expressed an interest in putting money away for their children or grandchildren to use for college. I often caution you that you can over do this! I recall the one client who came to me with the question: "*Will it be okay for us to retire on this $400,000 that we had saved up for our children's education? They all got scholarships and didn't need the money!*" The answer for them, unfortunately, was "no" because the money had been placed in some of these special accounts, and the clients could not get the money back; it belonged to their children!

So, with that caution in mind, here is a brief introduction to the wide variety of available approaches for saving for college. These are not exhaustive; these descriptions only scratch the surface. Professional advice from your Trusted Financial Advisor, coordinated with our estate planning advice, can help you craft a plan that is best suited to your needs and priorities.

529 College Savings Plans

With mutual funds as the primary investment option, state 529 plans are best for those looking to contribute substantial amounts to a college fund. Contributions are not tax deductible, but earnings are tax-free, as are later withdrawals for qualified education costs. These plans generally are in the parents' names, which means that the plans have minimal effects on the family's eligibility for financial aid. The drawbacks are limited investment options and relatively high fees. An advantage is flexibility: beneficiaries can be changed from one family member to another (i.e. if the original child doesn't use it, it can be designated for another child). Considerable control is retained by the parent or other contributor who is in effect the trustee of the funds, and there is no automatic age at which the child can demand (and squander!) the money. But the parent cannot take the money back to retire on!

529 Prepaid Plans

A prepaid tuition plan might work if you are reasonably certain that your child will attend one of the schools in a state's plan, and are satisfied with a rate of return that equals the inflation rate for the costs of schools in the plan. Under prepaid tuition plans, you are buying future tuition at a state's public colleges at today's prices. On the downside, payouts from these plans reduce eligibility for financial aid on a dollar-for-dollar basis. In addition, states dealing with especially tight budgets have been raising the costs of participating, and in some cases even closing off enrollment.

For a group of approximately 250 private colleges, there are independent 529 plans. They work like state prepaid plans, including the dollar-for-dollar reduction in financial aid eligibility when funds are distributed. Money from such a plan can be rolled over to a state 529 savings plan or a state prepaid plan without penalty.

Coverdell Education Savings Accounts

If you want the most variety in investment options and lower fees, a Coverdell account may make sense. Joint income tax filers with adjusted gross incomes of up to $220,000 can save up to $2,000 a year, pre-tax and growing tax-free, for education expenses. No plan is without its weaknesses, and for the Coverdell accounts it is the adverse effect on financial aid eligibility because the accounts are in the student's name, not the parents' names.

Custodial Accounts

A custodial account could be appropriate for those who want to transfer assets, including securities, to a young beneficiary in order to reduce taxes. Funds can be taken from the account at any time and for any purpose benefiting the child, not just educational expenses. Income/growth is taxed at the child's rate. However, be forewarned that the *beneficiary will have absolute control over the account* upon reaching the age of majority. I've heard more regrets over this type of account than any other.

Savings Bonds

If the 529 plans are the show-horses of financing in higher education, savings bonds have been called the workhorses. Returns on savings bonds are usually modest, but the investment could not be safer. Savings bonds may be especially attractive to middle- and low-income households that fall within certain income restrictions. For Series EE bonds issued after 1989, and all Series I bonds, at least some of the interest earned on the bonds is tax-free if used for higher education expenses. The bonds can be held by you in your living trust, rather than in the child's name, thereby allowing you to retain control.

Life Insurance

For many people, there is no better savings vehicle than cash value life insurance. While each of the 'special' accounts described above requires you to give up access to the money being saved, you can retain 100% control of the life insurance and still reap most or all of the tax benefits. You would own the policy inside your living trust and thus be able to direct the money both while living and, through the terms of your trust, upon death. If you need it, you can still spend the money on your self (i.e. retirement!).

Many variations are available, but you would be looking for a policy (usually on your own life, rather than the child's, although that also has considerable merit) that can have a large amount of cash value relative to the death benefit; you're looking more for the *investment* purpose than the *insurance* purpose. Investments within the insurance can equate to CDs, money markets, or stock market rates, depending on the type of insurance you select. All growth is income tax free, and withdrawals are normally tax free as well. If you die, your beneficiary/student has the added 'bonus' of the significant increase in available money (the death benefit!) yet 'school bus trust' protection if that is part of your living trust plan.

"He who is unaware of his ignorance will only be misled by his knowledge." *Richard Whately*

Education Wrap Up

Gayla Ball, Education Coordinator

Seasons Greetings to everyone!!! At this special time of year, I hope you are all happy and healthy. With Christmas fast approaching, my family is keeping very busy with various concerts, parties, programs, and shopping. We love this time of year, especially because we are celebrating the birth of Jesus.

I cannot believe I have been a team member at the Estate Planning Center for almost four years. Actually, one of my favorite things about being the Education Coordinator is seeing so many of you at our various client meetings. This year at the Annual Family Reunions (AFR) in the spring, we tackled the job of updating everyone's **Client Organizers**. During the Client Update Programs (CUP) in the fall, we updated the trusts of our EVEN year clients with the necessary legal changes. Participation in our **Family Education Programs** (NNB I and NNB II) exceeded our expectations. Client attendance in 2006 was better than previous years. I believe many of you now realize the value of the information you receive at these programs, and that is one of my main goals!

As a reminder, anytime you are planning to attend any of our meetings, please call and make your reservation as soon as possible. This will be sure your name is on the reservation list.

Remember, place this newsletter in Tab 9 of your black Client Organizer for easy reference later.

If you ever have any questions about any of our client meetings or your annual maintenance please feel free to call or e-mail me.

And last but not least, have a Very Blessed Christmas!!

Family Education Program™

*aka the **Nuts 'N Bolts™** workshops*

Our **Nuts 'N Bolts I & II** were significantly revamped for 2006, and will likely see only minor tweaks of improvement for 2007. Remember, to make a living trust plan work smoothly for the family, the family needs to know something about what to expect and what they will need to do.

Our **Nuts 'N Bolts** workshops are here now to help your family understand what you are doing for them, so they'll be ready to take full advantage of it! They are an opportunity for the family to participate 'with' you in planning, and to motivate more open communication between you and them about this important topic.

It has been a gratifying experience to see so many of our clients' adult children attending the **Nuts 'N Bolts I** and learning the concepts like 'School Bus Trusts' and 'GST' trusts—and see the light bulbs go on in their eyes as they recognize the benefits of the thoughtful planning our clients are doing for them. One client called a few weeks ago and asked me about certain benefits I had described in the Nuts 'N Bolts program attended by her children, and essentially told me *"you mean that is included in our plan, for our kids? Good ... but I didn't really understand that until the kids were telling me what they learned at your program!"* Yes, the children went to visit the folks, and were excited to tell them about what they had learned (an aspect of 'GST' planning) that the mother, my client, had not fully grasped up to that point.

Remember, married couples: you need to get all the pre-training you can to help the one of you who has to settle the trust of the other!

So, for yourself and your family, attend an AFR where we will first be announcing the dates and locations of

Nuts 'N Bolts I: The Werewolf Workshop™ and ***Nuts 'N Bolts II: Transfer Process***

Note that **Helper Handbooks**™ are given to any helpers who attend the Family Education Programs. They provide a place to store the NNB handouts, and include a lot of other helpful materials.

Funding Forum

Debbie Robb, Funding Coordinator

Merry Christmas! I hope your Christmas is filled with happy memories as we celebrate the birth of our Lord and Savior Jesus Christ.

Your **Asset Review Report** is enclosed with this newsletter. Please write in any changes in values, cross out any asset that you no longer own, and add any new assets in the space provided at the end of the report by filling in all information (company, type of account, account number, which trust is owner, etc.) and return it to me so I can update your files. Please provide documentation for any new asset for Curt's **Red Check Review**.

Also note: any asset that does not have a check mark (✓) on the enclosed **Asset Review Report** indicates that we do not have a written verification for that particular asset; please try to find and send us the appropriate paperwork (a statement, title, letter, etc.—see **TAB 4** of your **LifeSpan Client Organizer**™).

Going forward, please continue to mail copies of paperwork on any new assets (*i.e.*, vehicle titles, bank account, investment account, life insurance, real estate, beneficiaries of retirement accounts, etc.) for **Red Check Review.** You are paying Curt to review and confirm that your assets are titled to follow your plan, so get your money's worth!

Remember, it's always best to title assets correctly *at the time of purchase or when a new account is opened.*

Please call me if you have questions regarding funding. We try to explain to you in letters and in the materials in **Tab 4** of your **Client Organizer** what we need to see in order to verify titling of assets, *but if it isn't clear, don't hesitate to call me!*

God's Blessings to you and your family in 2007!

Open House

Make sure you come to visit us during one of the Open House celebrations at our new **919 West Main** office:

February 15, 1 to 7 pm
March 6, 4 to 5pm (immediately after AFR)
April 28, noon to 2pm (immediately after AFR).

We look forward to seeing you there!

"The virtue of men are of more consequence to society than their abilities; and for this reason, the heart should be cultivated with more assiduity than the head!"
Noah Webster

www.TLCPlanning.com

As you know, we have a website to help keep our clients and the public informed of upcoming events, of planning ideas, and most of all, what it takes to make an estate plan WORK!

The menu works more like an outline, so start by clicking on a topic that interests you, and up will pop sub-menus of pages you might want to read.

Please give it a look and let us know how you like the design and articles.

Other Professions See the Value of the LifeSpan Process

Major players in the financial world are starting to recognize the importance of the very things we stress in the LifeSpan Planning Process™ and we like to bring you some of the best quotes we see, like this one:

"It is important to understand that estate planning is an ongoing process that requires a personal commitment. Your estate planning team's coordinated efforts can help ensure your goals and wishes are carried out, but your estate plan will only produce maximum results if you are a direct participant in planning decisions."

-Northwestern Mutual Financial Network Business Report Volume 16, Issue 4. (Business Report is a publication of Liberty Publishing, Inc., Beverly, MA copyright 2005.)

Book: The Ultimate Gift

We highly recommend you *get this book* for yourself and your adult children for Christmas: ***The Ultimate Gift***, by Jim Stovall.

Also watch for information from us on an amazing movie based on the book by this same name. We are arranging for a **special preview showing**, by-invitation-only, for any of our clients who would like to see a *powerful, positive movie* with a 'legacy building' message.

LifeSpan Meeting Reminders

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 to any meeting they attend.
- Reservations are required. Be sure to let us know if you are coming!

New Videos available! Check-out or purchase the **2006 Nuts 'N Bolts-II** for your family, recorded on Nov. 25, 2006.

For check-out, we charge $5 shipping & handling, with one set of handouts (Helper Handbooks are only given out in person). If you would like to *purchase* the video to circulate among your family, our supplier charges $20, delivered to you.

Expand [Y]OUR Community

Sarah Rupe, Client Services Coordinator

Client referrals are an essential part of the growth of our business! Our best referrals come from YOU and we're honored when you recommend us!

REMEMBER: We still provide monthly **Truth About Estate Planning**™ client orientation workshops for incoming clients.

As you probably know, a large portion of our firm revenue still must come from clients in **Step 1** of the **LifeSpan Planning Process**™: new clients coming in and *developing their plans*.

If each of you referred each year just one client to us, and only a third of those decided to become **LifeSpan**™ clients, Curt could be devoted solely to service and counselling, growing and enhancing the package of LifeSpan™ services. If you refer your friends and family to us, you know we'll take good care of them—*as we are you!* Besides, just think how much more fun the AFRs, CUPs and Family Education Programs™ would be if more of your friends were there with you!

The first step for a new client is to attend one of our monthly **Truth About Estate Planning**™ client orientation workshops. You can make the reservation and attend with them! If you prefer that we 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*.

Upcoming Truth workshops in Salem*

Tuesday, January 16	**6:00-9:00pm**
Saturday, February 17	**9:00am-noon**
Tuesday, March 13	**6:00-9:00pm**

**reservations are required, even if made the day of the workshop*

What to DO NOW:

As usual, here is an 'action summary' to make sure you get the most from your LifeSpan services agreement:

1. **READ** the yellow **Renewal Registration and Re-Commitment Form** (the 'RRR Form')
2. **SIGN** the **RRR Form** where provided.
3. **DECIDE** and mark the best date/location for you to attend an **Annual Family Reunion**™
4. **MAIL** us your renewal fee check in the appropriate amount with the yellow **RRR Form**.

Do the above immediately. Then, as soon as you can,

5. **REVIEW** your enclosed **Asset Review Report**™ and make corrections on it for Debbie, then return it as soon as possible, but *no later than* January 31, 2007

When we get your **RRR Form** and check, *we'll register you for the **AFR** of your choice* (assuming it isn't filled before you sign up) and look forward to seeing you and your family there! Call Gayla or Sarah if you have any questions (except about the **Asset Review Report**, ask for Debbie).