

Summer, 2016

LIVE AND LEARN...GO SMOOTHLY

We've all heard that line: "Well, you live and learn." Sometimes it is after an unfortunate mistake was made. But it can be a statement of intentional progress. We'd like to think that we live and learn, and as a result, improve as people and professionals. Our LifeSpan™ Planning Process is based on the assumption that we are the sort of people who go through life and never assume we know it all. We want to learn from other people's mistakes, not make them all for ourselves. We want to learn from our own experiences, but also from the experiences of others.

Sam and I believe that about ourselves. We attend a lot of continuing education programs each year. Some are about legal technicalities and new planning techniques. But many programs are about the practical issues, like how to deliver maximum services efficiently and effectively. What processes work, and why, and what practices don't work, and why don't they? How do we keep our clients comfortable and happy, while simultaneously assuring that their goals are achieved?

You may recognize some of these thoughts from the **Annual Family Reunion™** (AFR) this spring. We reviewed three major points in the LifeSpan™ process. How do we:

1. At a price you will pay,
2. Deliver the services you need,
3. In a method/format you and your family will utilize.

I am happy to report that again this year we had close to 99% renewal. We trust that this means from your perspective, you **receive good value for a fair price**. Thank you for allowing us to serve you.

The services needed are, of course, whatever a law firm can do to help each client accomplish very personal goals with the greatest positive impact on their heirs. One of the top goals, according to virtually every client, is to **assure that everything goes smoothly**. Making that happens

includes (obviously) updating your documents regularly during your life. (See **Amend Your Plan Anytime**, page 6.) It means helping you with proper titling of assets—continuous funding. It also includes preparing your Helpers for the difficult tasks they will face when our client becomes disabled or dies. The Red Book doesn't spring off the shelf and do everything for your family. We can and will take a very active role, but cannot do everything for them. They will have work to do, and with ever-more-complex tax law there is work that wasn't necessary just a few years ago. As if satisfying the IRS weren't enough, your successor trustee also has the highest duty of accuracy, transparency and fairness for the benefit of all the beneficiaries. For a very simple illustration of how easy it is to not understand the duties and get into deep trouble, take a look at the article, **The Dangers of Living Trusts** on our website (under the heading, **The Truth**). For everything to go smoothly, your Helpers need advance training so they will know what is coming.

As for point 3, no matter how thorough our legal services are, if you don't get them, they are for naught! So, we face the constant challenge of keeping you actively engaged in the process. Making **Client Update Programs™** (CUPs) accessible—multiple times and locations for you to choose from—is one key. Something we haven't entirely figured out is this: during the CUP presentations do we review the same concepts too much and bore you silly? That

Personnel Update: Gaye Armstrong

In June of this year we welcomed Gaye Armstrong to our client service team. She decided to leave a 27-year teaching career and join us, moving from Florida to do so. Gaye has worked here as "temporary" summer help in recent years and proved to be a trustworthy person we wanted on our team. We were glad to be able to offer her a permanent position.

"Welcome to The Estate Planning Center, Gaye!"



"If you have been voting for politicians who promise to give you goodies at someone else's expense, then you have no right to complain when they take your money and give it to someone else, including themselves." - Thomas Sowell

might make you dread attending. Or, do we get too technical (maybe unrealistically thinking that our ability to educate you has been more effective than it really has!) and you feel overwhelmed and lost? Even the most dedicated client would be frustrated by that.

We aren't sure, but we continue to live and learn!

We could probably ask the same question of the AFR. We try not to be so technical—it's more about the process and services there than about legal updates—and hope to help you feel confident as you recognize what we are talking about. Of course, if you miss the AFR, your familiarity wanes quickly, and the next year you may find yourself feeling overwhelmed and lost, while the people next to you are nodding knowingly at what they are hearing.

The **Family Education Program™** is straightforward: we want to help prepare those people who will manage your affairs in the event of your disability, and who will be responsible for carrying out your plan upon death.

Like you, we want everything to go smoothly.

A family came in this year having just lost a loved one who was a LifeSpan™ client. Each of the Helpers had been to at least one Family Education Program™ in the last two years. This initial settlement appointment—it was the sudden and unexpected loss

of a relatively young client—was a textbook case of "go smoothly." The surviving spouse was grieving, yet demonstrated an obvious undergirding of confidence, surrounded by emotionally supportive, thoughtful adult children. They were grieving in their own right, of course. The client had been self-employed with complicated business activities going on at the time of death, yet everyone in the room was receptive to Sam's able guidance, ready to do their part to carry out the spirit and letter of the plan, securing the benefits intended.

We are grateful for such relationships, and we consider it our privilege and honor to provide caring, expert assistance as families like this experience the trauma of losing a dearly-loved spouse and parent.

We don't know it all yet. We live and learn. We are seeing what goes smoothly. We also see situations where it doesn't. We are sharing our experience with you, and we pray that it is helpful.

You want your family to be calm while they are sad, to remain composed through grief, to celebrate fond memories while shedding tears, and to receive all of the tangible benefits you so carefully planned for them. So do we. We are doing everything we can to assure that everyone is ready. It goes smoothly when Helpers are prepared. Trust us on that. -CWF

2016 Family Education Program™ - *On each date we will present both of the following.*

Each year, a few more families experience the disability of a LifeSpan™ client. For some families the transition goes smoothly. But, for other families, not so much. Learn at **Disability Transitions Made Simple™** how to be in the first group!

Then, if you would like to learn proactive ways to preserve assets from the rising costs of nursing homes and health care, stay for part two, **Proactive Preservation Planning Made Simple™**. On July 12 & 19, August 25, November 26... [see page 8.](#)

Titling Tidbits from Sherry French, the "Funding is Fun" Coordinator

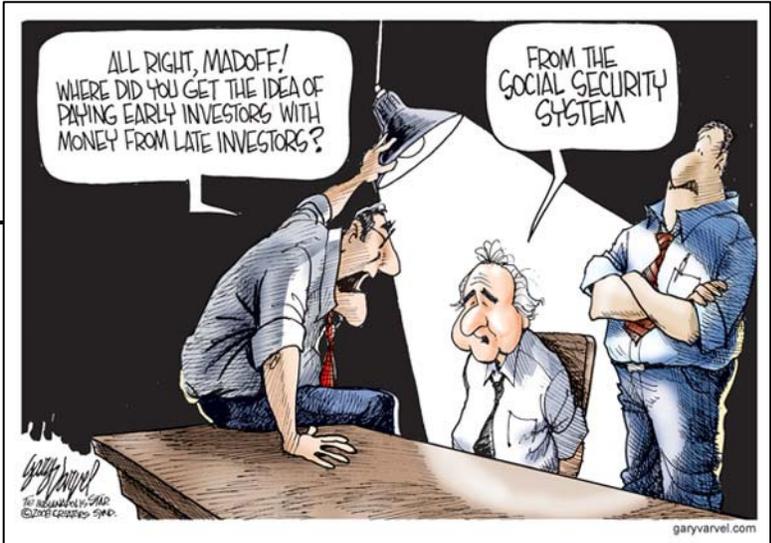
- In your **Client Organizer, Tab 4**, is a list of Red Check Review Requirements for most types of assets.
- Letters of Direction for your trusts are located in your **Client Organizer, Tab D**. Normally one of those forms will provide the needed information to car dealers, banks, insurance companies, investment firms, etc.
- In a pinch, the laminated Trust ID Card may be enough. Don't have one? Let me know and I will mail you one.
- Financial Professional changed broker-dealer? Send us verification on all accounts with new account numbers.
- Vehicles? Send a copy of title showing trust as owner (use your sample vehicle application from **Tab 4**), value, and what vehicle it replaced. Remember, *there is no Bill & Mary Living Trust...it is in Bill's Trust or Mary's Trust*
- Purchasing Real Estate? Call the office for a sample deed, and send us a copy of yours when recorded.
- Farmers: Deeds, Crop Insurance, CRP Contracts & Grain Elevator accounts normally should match (unless you operate as a corporation or LLC, or have one of those as owner of your real estate)
- If your mineral rights are leased out, and the company sells the lease to another company, make sure before signing new division orders that they have it titled in your trust. If in doubt, let us review the new division order.

KITTYWHAM™ PRODUCTIONS: Some of you may recall that Curt’s younger daughter, Rachelle Ferguson, serves as an editor of Curt’s magazine and website articles. She is a Senior English Major at Hillsdale College in Michigan. Among other writing projects, Rachelle has served as a college writing tutor, and for two years on the editorial board of Tower Light, a college publication.

In addition to her editorial expertise, she is an accomplished writer of poetry, short stories and dramas. She recently started her own publishing company to make her Christian dramas, each of which has been performed and received very positive reviews, available to the public.

KittyWham Productions LLC offers “plays with a punch!” According to the website, “No need to settle for Christian plays with a shallow message and a colorless plot. Our dramas bring truth to light in unique, meaningful ways, mingling humor with honesty and enthusiasm with insight.”

If you are in that market, take a look at Rachelle’s work, at kittywhamproductions.com.



Social Security?

The cartoon above is a bit dated, but probably most of you will remember Bernie Madoff and his Ponzi scheme. The Social Security system is projected to take in slightly more than it pays out in 2016. That ratio is coming to an end. Within no more than five years, the Social Security trust fund will be running a deficit. Expect this “forcing event” to cause higher taxes, lessened benefits or both. We will no longer be able to kick the can down the road for future politicians to deal with.

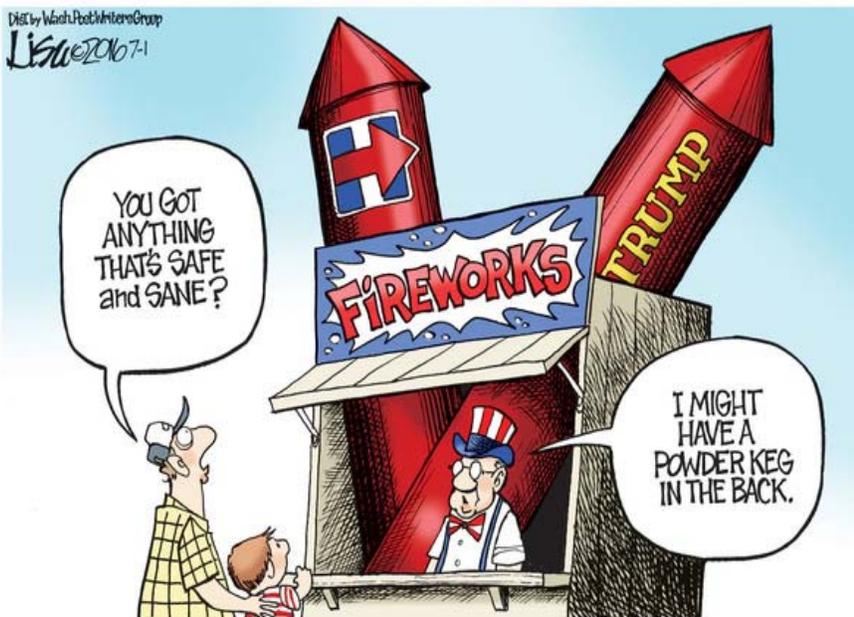
When the Social Security law was signed in 1935, the average life expectancy was 58, and the system covered only select workers. Now, life expectancy is nearly 90, and the system covers almost everyone, plus additional classes of *pre-retirement* recipients. It was President Johnson who started borrowing from the Social Security trust fund for general ledger purposes back in the 1960’s; an action that had been promised would never happen in order to keep the system safe from a liquidity crisis.

Source: Dwight Erskine, Monday Comments 5/2/16

Don’t Take It Personally

From time to time we get invitations from clients to be in their “Linked In” professional network, or to befriend them on Facebook, or to connect in some other **social media**. Please don’t feel rejected if you don’t get a response. We don’t currently subscribe to social media. Maybe we are too old-fashioned?

Curt has been advised to create a business Facebook page. We’ll let you know if we do. But in our business, client confidentiality is paramount, so don’t expect us to get chatty on social media.



Technical Training Program: The current estate and gift tax laws offer amazing opportunities for a client with an estate exceeding \$4,000,000 (\$8,000,000 for married couples) to *transfer a large estate free of estate tax*. On **Tuesday, July 26: 9:00am in Salem**, during our **Advanced Tax Planning** program you can learn the *latest strategies*.

Department of Education News

- Gayla Ball -

Happy Summer everyone! I don't know about you, but I'm enjoying this "warmer" weather, and looking forward to family vacation! I hope you are all enjoying some "fun in the sun" and finding some time for rest and relaxation as well.

As the Estate Planning Center Education Coordinator, I want to take this opportunity to remind you, as a LifeSpan™ client, you are entitled to receive maintenance and education during Step Two of our three step strategy to estate planning.

As you may recall, we provide this education to you, and your helpers at various programs throughout the year (see page 8, and the blue LifeSpan Learning Solution Calendar in your **Client Organizer Tab 5**).

I know how difficult it can be to make time in everyone's busy schedules these days to actually attend in person, or ask your helpers to add another event to their calendars. So, I believe we have a great solution to this dilemma, which is to take advantage of the programs we offer on our website! Just follow these simple steps:

1. Visit our website, www.tlcplanning.com
2. Click on **Client Resources**. Fill in the username and Password (call us if you don't know these).
3. Select the program you want to watch. Print the Certificate of Attendance (a very simple "quiz" which you can complete as you watch)

Afterwards, return to us the completed Certificate of Attendance so we can keep record of who watched the program.

The following programs are available anytime day and night: **Receiving My Inheritance Made Simple™**, **Disability Transitions Made Simple™** and **My Spouse's Estate Made Simple™**.

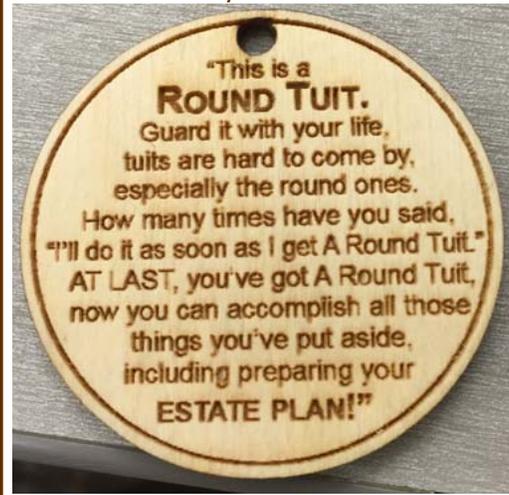
We are presenting a *live* **Disability Transitions** program this year, four times as a matter of fact, so try to come to one in person...you always get more

from a program that way than by watching the recording!

Remember, we want you and/or your helpers to be educated, so when a time of transition does occur, you/they are better prepared.

As always, I'm available to answer questions you may have. Please do not hesitate to call or email. **-GB**

Got friends or family members who need one of these? You can pass this one on to them:



Proactive Preservation Planning

- Sam Collins -

As people age, it is natural to begin to become more aware of the rising cost of long-term care. According to the Administration on Aging (AoA), someone now turning 65 has a 70% of needing long-term care (usually in a nursing home) at some point. Long term care costs vary widely, but even here in south central Illinois they can reach \$5,000 a

month; in some places, they vastly exceed that. According to AoA, the average nursing home stay for women is currently 3.7 years (shorter for men, 2.2 years). Certain conditions, like Alzheimer's, lend themselves to longer stays. To make matters worse, as we continue to live longer, healthcare costs are sharply increasing. For many people, paying an additional \$60,000/year for care will rapidly deplete their estate. Rather than lose what they have to a nursing home stay, many people decide to give their money and property away now, before they need care, with the hope that giving it away will keep the assets safe and allow them to qualify for Medicaid to pay for long-term care if they ever need it. Sounds simple—but simple solutions often backfire.

You've worked all these years to build your estate, saved and invested wisely, and made good management decisions. A common goal that almost all of you had when you came to us to do planning was to stay in control as long as possible. In haste, even the most natural consequences of gifting often get overlooked. What if you need the money later? When you give it to the children, it's theirs. You are now at the children's mercy if you want or need any

"There is no subjugation so perfect as that which keeps the appearance of freedom for in that way one captures volition itself." —Jean-Jacques Rousseau (1712-1778)

of the money back. One also needs to look long-term: what about the income you received from those assets? Things like dividends, interest, or rental income will now belong to the new owner.

Most likely, you trust your children to make good decisions. They would probably help you out if you later need some of the money (even if they aren't legally obligated to do so). But what if one of your children has a major creditor or, problems with the IRS (actually a fairly common creditor problem)? Or, a business deal gone bad that lands them in bankruptcy? Or, an auto accident where damages exceed their liability coverage? Or, get a divorce? What if they suffer their own catastrophic illness that requires major resources? Any one of these awful things can happen to anyone at any time, and most of our clients have planning in place to protect their children's inheritance (remember those school bus trusts?). Don't derail your entire estate plan by making gifts in haste out of fear. By giving assets to your children at death, they are able to receive the school bus trust protections you built into the plan for them. They also receive a stepped up basis, so they will save on income taxes if they ever sell assets that appreciated in value.

And here's a final drawback to just giving it away: many people aren't aware that large gifts will also make a person ineligible for Medicaid for a period of time. Depending on the size and timing of the gifts, the penalty could be very large—in some cases larger than the average stay in a nursing home! There are right ways to prepare for how to pay for long term care (such as a calculated, proactive approach), and there are wrong ways (a knee-jerk, give-it-all-away-now approach).

To learn more about viable asset protection strategies, join us later this month for our **Proactive Preservation Planning Made Simple™** which will follow the **Disability Transitions Made Simple™**. See times, dates and locations on page 8, and register ASAP for you and any Helpers who can attend.

—SLC

Community Builder™ Event

It was quite a competition in the voting battle between Bluegrass Family Fun & Backyard BBQ and Dinner with Classical Christmas music! The vote could not have been closer without being a tie. (Yes, that means only one vote separated the two.)

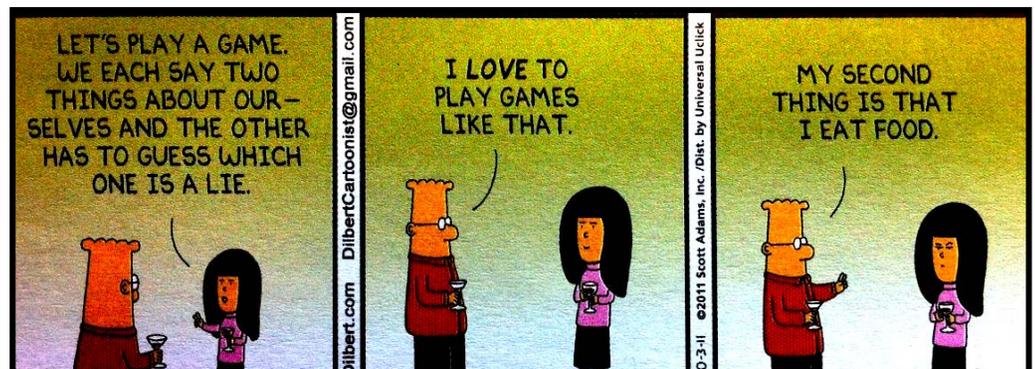
Soooooo, rather than disappoint half of you we decided to *schedule both!* Please make a reservation at least two weeks in advance:

- **September 16, 5 to 7pm**, weather permitting, we'll be in the backyard at the office. Bluegrass music, outdoor Bar-B-Q and fun! Curt will be grilling as usual. Make a reservation, mark your calendar and bring parents, kids & grandkids!

or, if you prefer...

- **November 17, 6 to 8pm**, rain or shine! We will be at the Carriage House banquet facility in Altamont, Illinois to enjoy dinner with Classical Christmas music (string quartet, piano and vocals). Make a reservation (you and immediate family only please) and mark your calendar.

For budgeting purposes, please choose one or the other. Remember, there will be no legal presentation at either. Just come and relax. We won't even have any "get acquainted" games...which reminded me of one of my all-time favorite Dilbert cartoons. -CWF



Talk About School Bus Trusts

- Sam Collins -

Recently, I had the experience of meeting with successor trustees who were not Lifespan™ clients. Over the years there was very little attention paid to maintaining the plan. The trust itself was many years out of date, but was still designed to give the children **broad control** but with as **much protection** as possible. You will recognize this as [cont'd]

"school bus trusts." As you might expect, the successor trustees had not previously been exposed to the steps and responsibilities in administering an estate. They weren't familiar with school bus trusts. The whole process was very new to them, and often when something is new, there can be a certain amount of resistance. Rather than seeing trust administration as a process designed to give the family maximum benefit, I sensed that they saw the meeting with the lawyer as just a necessary evil; a speed bump between them and the money.

It is a vastly different settlement when the family has been exposed to the process that we follow to make the plan work. When they have been to training programs, not only do they better understand the steps—thus, the legal advice and instructions make more sense to them—it is also clearer to them why we are approaching settlement the way we do.

As you all know, the settlement process is designed as a series of steps, not all that different from when you were designing your estate plan. When your family—and not just the trustees, but also beneficiaries—understand that there are steps involved, and realize this is all intentionally designed, it can be of great peace of mind to them as well. This is true for the process of settling the estate, and in wealth reception. In order for settlement to go smoothly, it is critical your beneficiaries be exposed to the concept of school bus trusts. While we provide the technical training about school bus trusts and their many advantages through education programs, it is best if introduction to the concept came from you.

You don't have to understand the technicalities, of course. But the trusts are to *fulfill your purposes*. Pick and choose one or more of the following (not all of these necessarily apply) to open the door to a good discussion about what you are trying to do:

1. At my death, I learned I could pass my estate to you in a way that it is protected from your potential future predators, like a lawsuit or divorce, by using a trust, and I chose to do it.
2. It is important to keep assets protected and in the family (bloodline) so your inheritance will come to you in a special type of trust that accomplishes this.
3. I want you to be able to access and control your inheritance, but receive it in a way that bad things, like serious illness or catastrophic accident, can't take it from you.

4. One of my goals is to protect our family assets from taxes for generations to come, and delivering inheritance in trust helps accomplish this. (This is appropriate if you have done GST trusts.)

These are just some ideas to get the discussion rolling. The more your beneficiaries understand that this is important to you (and not some legal trick thrown in by the lawyer), the more prepared they will be to maximize the advantages of their protective trust and fully embrace the concept of receiving their inheritance in trust. **-SLC**

Cancer: Preventable?

Today, it seems every family has been affected in one way or another by cancer. With that being said, someone recently shared with us an article they found on nbcnews.com which featured information published in the *Journal of the American Medical Association's JAMA Oncology* from work at Harvard University Medical School.

The article features a study that suggests 20-40% of cancer cases, and about half of cancer deaths could potentially be prevented by adopting a healthier lifestyle. According to the article, a healthier lifestyle would among other things mean no smoking or heavy drinking, maintaining a healthy weight, and exercise: moderate exercise for at least 150 minutes per week, or vigorous exercise for 75 minutes per week.

The authors concluded that their findings reinforce the importance of lifestyle factors in determining cancer risk, and primary prevention should remain a priority for cancer control.

This article may generate a variety of thoughts and mixed emotions. Along with many of you, we each have had family members receive a cancer diagnosis and endure surgery, various treatments or both. This new study gives us all something to think about.

Amend Your Plan Anytime

At this year's AFR we reviewed the various ways that you can update or amend your estate plan. Since there is a tendency in all of us to "avoid thinking about" our mortality, there is a danger of "sticking [your Red Book] on a shelf and forgetting about it"...even when you really ought to consider making changes. Let's review briefly.

One update is when *you feel a need* to change something, but *you want our legal counsel* in order to



determine what and how. You contact us for a Personal Counselling Review™ (PCR) and after an hour or two of discussion, the appropriate changes become clear. The PCR is like a small Re-design appointment, and your plan is updated to reflect the redesign. This is the only amending situation where an extra fee applies.

Second, you may initiate changes anytime by filling out your Estate Planning Review Worksheet (EPRW, located in **Client Organizer™, Tab B**) and sending it to us. This works when you know exactly what you want changed, and just need us to do the word processing to your documents. You could also send us an email or letter requesting such a change. Remember, this service is included in your annual maintenance fee: no additional charge.

Even if you don't think about it more often, every other year you are invited to the Client Update Program (CUP) and receive a printed EPRW to review. This "forces you" to think about whether there are personal changes (changed division of estate, changed age of control, changed order of Helpers, etc.) you want to make. Any changes you

recommend: the "standard legal updates" for that year. Thus the CUP is the pre-scheduled stop to pick up *legal and personal* updates. No additional fee.

Finally, there are the new innovations. As new planning concepts are developed, they usually involve "pros and cons." So it is not always clear to us whether a particular client would want the new concept. We need you to consider the pros and cons, and tell us to, or not to, include it in your plan. To give you the ability to make that decision, we provide an educational program, you learn, you decide. The **Back to the Not-So-Basics™** (BTNSB) program in 2015 was a review of such innovations. If you have been a client since before 2015, and did not attend the BTNSB, then you should watch the recorded video of it on our website (under **Client Resources**) or request a DVD if you don't have internet, in order to make an informed decision about all of the latest and best techniques. Again, no additional fee is involved, and your heirs may really appreciate it.

The bottom line for us is that you get your plan updated as much and as often as there is any reason to do so. If you want a change, *git 'er done!* -CWF

2016 Technical Training Program™ *In addition to the Advanced Tax Planning program mentioned earlier, we offer...*

Truth About Farm Succession Planning™ will answer questions like these: How can I avoid paying so much income tax for the year when I retire, sell grain and have no expenses? When is the best time to give my equipment to my successor (son, daughter, etc.)...or is that ever a good idea? What are the estate tax implications of my Succession Planning decisions? What are the pros and cons...the differences between...Partnerships, sole proprietorships, Corporations & Limited Liability Companies (LLC)? Which business organization is best for owning land? ...for operating the farming enterprise? ...for owning equipment? ...for hiring employees? What is the best way to be income taxed: C-Corp, S-Corp, Partnership or Sole Proprietorship? Does my business organization (corporation or LLC) keeps me from being sued?

Attend in Salem, Illinois on Tuesday, July 12 at 1:00pm, or on Tuesday, November 15 at 9:00am

Attend in Bloomington, Illinois, on Tuesday, July 19 at 6:00pm

Annual Business Conference™ (the "AFR for Business") This is for you if you have a business entity: corporation, partnership, limited liability company, etc. Learn ideas for minimizing income taxes and liability risks, and ideas for transferring the business to future generation while you are living. *One-time only, in Salem on Tuesday, December 13 at 1:00pm*

Mutual Commitments -Sarah Rupe - You know the old Nike saying *JUST DO IT™*? Well, as you get mail from us inviting you to attend programs, or to review your list of assets, or to review your estate plan (your EPRW)... Just do it! Get it over with and do it and you'll feel so much better when you complete the task. This is all about making your plan *work smoothly*. Remember, things won't *go smoothly* if we care more than you do.

Do you ever re-read your LifeSpan™ Member Agreement? Yours should be in your **Client Organizer™, Tab E**. Some things worth reviewing might be the **Special Delivery System** [page 5], **Client Update Program** [pages 5-6] and **Family Education Program** [pages 11-12]. These are some of the mutual commitments we made to make your estate plan *work*. After a re-reading such sections of the Member Agreement, our mailings won't be surprises. We are all here to help you accomplish your goals but we can't do it all for you. Let's do it together! Call or email if you have questions or concerns - that's why we're here!

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



Change Service Requested



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

LifeSpan™ Learning Solution Calendar recap <i>Make your reservations and mark your calendar for the events you will attend!</i>		
July 12 at 1pm	The Truth About Farm Succession Planning	Salem
July 12 at 6pm	Disability Transitions followed by Proactive Preservation Planning	Salem
July 19 at 1pm	Disability Transitions followed by Proactive Preservation Planning	Bloomington
July 19 at 6pm	The Truth About Farm Succession Planning	Bloomington
July 26 at 9am	Advanced Tax Planning (for estates exceeding your ‘coupons’)	Salem
August 25 at 6pm	Disability Transitions followed by Proactive Preservation Planning	Marshall
September 16 at 5pm	Family Fun Night: Bluegrass Barbeque in the Backyard	Salem
November 15 at 9am	The Truth About Farm Succession Planning	Salem
November 17 at 6pm	Evening of Dinner with Classical/Christmas Music	Altamont
November 26 at 9am	Disability Transitions followed by Proactive Preservation Planning	Salem
December 13 at 1pm	Annual Business Conference	Salem
Clients and Helpers are especially encouraged to attend one of these Family Education Programs Select one of the Community Builder programs. (Include immediate family members only on November 17, please.)		

A Final Thought to Consider: All of this estate planning...it’s to have everything prepared for the challenges that will come: death, and possibly disability. LifeSpan™ client, you have done all you can do to get ready, your plan is ready, your funding is done, your documents are up to date...you are prepared! But who really needs to be personally prepared? It isn’t you, it is your Helpers who actually have to step in and carry out your excellent plan.

“You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving.” —Dr. Adrian Rogers