



Summer, 2012

PLANS THAT WORK. PEOPLE WHO CARE.™

2012 Annual Family Reunion™

We are starting to expect a great turnout for the **Annual Family Reunions™** (AFR) and were not disappointed this spring. It was great to see so many of you make the commitment to be there in person.

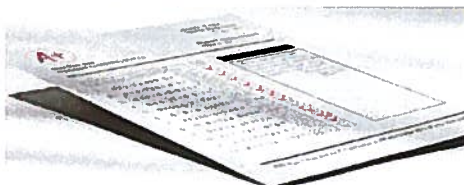


Those who did received their newly-redesigned **LifeSpan Client Organizer™**...and we are already hearing it is more user-friendly. That was our goal, of course! You will find the law firm policies and procedures in the front and after a distinct dividing tab, your **PERSONAL INFORMATION** in the back. Have your **LifeSpan Client Organizer™** handy when you call with questions about your plan!

AFR attendees also got a preview of education opportunities for the year, heard the latest information on proper titling of assets (especially those pesky IRAs and annuities that keep trying to elude you!), received a tax law update and learned about President Obama's tax law proposals for 2013.

While a few of our clients tell us they wish we would "just focus on the tax laws" when they come to an AFR, others get bored with that or feel they are being left out if they don't have a "large" estate. As usual, we tried to disappoint everyone equally by giving *both* groups what they wanted! Our gratitude theme continued in a new way a long line of "inspirational" elements included in AFRs over the years, and were delighted with the response we received! [Read more on **Gratitude AFR** inside.]

Continuing the tradition started in 2011, the **Funding Report Card** helps us keep the importance of funding before you. The overall percentage of all of our



clients' assets that verified (**Red Checked™** and entered into your Asset Review Reports) went up, as did the percentage of our clients who are 100% funded. It occurred to us that a little competition is usually a motivating factor. So, next year the report card will be split between even year and odd year clients. Do your part to help your Team! We'll see whether the "Evens" or "Odds" (yes, any suggestions for team names will be given thoughtful consideration!) has a higher "*batting average*" and "*slugging percentage*!" [Read more in Sherry's **Funding Forum** column inside.]

Family Education Program™

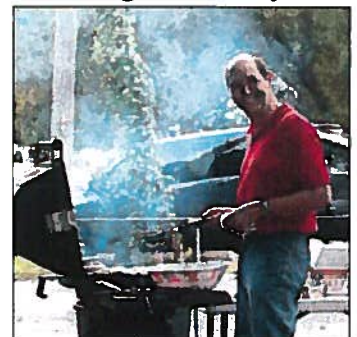
In June we held **Disability Transitions Made Simple™**, the latest offering in our **Made Simple Series™**. The feedback suggests that our message was right on target for what attendees wanted from the program. **The program will be repeated in our usual SATURDAY-MORNING-AFTER-THANKSGIVING time slot.** Make reservations (for yourself or your Helpers or both) soon if you can attend.

2012 Client Update Program™

Those of you who are **EVEN** year clients, it is your year! Our **Client Update Program™** (CUP) is where we update your living trust and supporting documents. And, as Curt likes to remind us, we update *you* too! That's why we call it a **Client Update Program** and not a **Document Update Program!** [Read more in the **Client Update Program** column inside.]

Community Builder™ Event

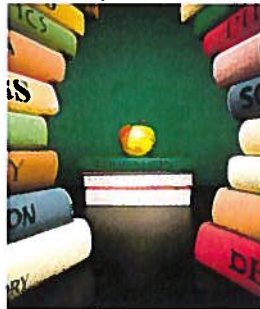
Don't forget the annual **Bluegrass Family Fun Night** on **Friday, September 21**, during cooler weather! Curt will be grilling as usual, backed up by a live Bluegrass band. Mark your calendar and make your reservation. Bring the kids and grandkids!



Friends Don't Let Friends Drive...

We believe that “*friends don't let friends drive defective estate plans.*” Ok, so that is not so subtle a take off of the drunk driving campaign...and for all I know, we might be violating some copyright law by using it. (Do they put the little ™ by that phrase when they print it on billboards? Or the © symbol?)

Anyway, we believe estate planning is too important to do halfway. Do it right, make fully-informed decisions, and work with professionals who are on a mission to help you accomplish all your goals. That's what our clients have learned, and if there are people you know and love, be sure to tell them about us. Everyone starts at our **Truth About Estate Planning™ Introductory Workshop** which we present each month. They get to learn a lot about what is possible before they even decide whether to sit down with us individually.



But, who needs estate planning? If you are confronted with the put-off of “my estate isn't that big” or “I'm not worth enough to bother with estate planning” what would you say? May we suggest that **if the assets they have to leave at that moment will make a noticeable difference in the lives of their loved ones**, their estate is important enough—and large enough—to carefully plan. While some people think their estate is small, they forget that it includes life insurance, retirement accounts, home, and savings...even if they don't have a business or farm. Remember: *estate planning is about much more than just estate taxes or probate!*

Email!

For those of you who use email, we just wanted to reaffirm our commitment to you to respond to emails within 24 hours. However, if we are out of the office for some reason (i.e. holiday, weekend, vacation, sick day) that 24 hours will be delayed as we do not expect the Team to monitor their business email when they are not at work. So, please be patient with us, but always feel free to follow up an email with a phone call.

In addition, if you change your email, please either call or email sarah@tlcplanning.com and let us know. We want to keep your records up to date...just like everything else!

Family Education Program™

The more your Helpers have mentally and emotionally prepared themselves for the decisions and responsibilities they will face upon your disability or death, the less stressful it will be and the better decisions they will make. In other words, your plan will work better! To help prepare them, our **Made Simple Series™** of programs include:

1. **Estate Planning Made Simple™** is the introduction to planning as we do it here.

2. **Disability Transitions Made Simple™** is the newest program, first presented in June 2012 and to be repeated on the Saturday after Thanksgiving.

3. **My Spouse's Estate Made Simple™** got great reviews. We video-recorded it so *you and your Helpers can watch it on our website anytime.*

4. **Receiving My Inheritance Made Simple™** was also video-recorded, and *you and your Helpers can watch it on our website anytime.*

Client Feedback: As attorney Sam Collins was finishing up the settlement of a deceased client's living trust, this unsolicited note came in from the surviving spouse, who was also the Trustee in charge of a challenging 'blended family' division of assets:

We have concluded the final distribution of the estate to the heirs of [decedent's name]. Everyone seems to be satisfied with the final figure.

Just wanted to give a heads up for Sam Collins who has a pleasure to work with for the finalization. He went to great lengths to explain so everyone understood the procedure and even tho he had to send the information more than once to [the] family he continued to reach an amicable understanding with each heir. We found him to be especially knowledgeable in explaining the procedure even when we questioned procedure at times. Always had time to work with us and kept us abreast of the issues to reach a successful end even tho it was a relatively small estate.

We all concur. As he approaches his second anniversary with us, Sam has turned into a seasoned veteran in the estate settlement arena...a proven winner!

Gratitude AFR

In preparation for the **Annual Family Reunion™** (AFR) this year our Team was inspired by some of the research we have seen on the topic of gratitude and how a conscious practice of grateful thinking enhances human happiness. Social scientists have even begun to quantify the positive impact of gratefulness. Some of the results were reported in the book **Thanks** by Dr. Richard Emmons. Curt decided to share some of Dr. Emmons' findings—as well as some of our own personal gratitude and an inspirational video of a family grateful for even the most challenging of life circumstances—with our LifeSpan™ clients at the AFR.

Why did *this particular theme* seem fitting for an estate planning group? Most of you will remember videos, music, readings, and other “inspirational” content (even Bill Cosby's **Noah** routine!) from prior years' AFRs, so inspirational content was not a new experience. But every year is a little different.

We believe most of you care about the impact of your estates on the next generation. The research is suggesting that if you focus on gratefulness, it improves your own well-being, which is great, of course. But social science is also starting to demonstrate that your gratitude can rub off on those under your influence. It appears likely that your own *conscious focus on* and *expressions of* gratitude for life's blessings could actually help assure that the money and property you pass on will not give your beneficiaries ‘affluenza’! You may recall that ‘affluenza’ is a sense of entitlement or presumption that tends to undermine work ethic and integrity.

So, in the Gratitude AFR we included five specific elements: (1) each team member sharing personal gratitude, (2) Curt presenting findings from Dr. Emmons' book on how gratitude enhances lives, (3) having each attendee write down things they are grateful for, (4) a worksheet (and suggestions) for writing and adding gratitude thoughts to your estate plan, and finally (5) a video of a family grateful in challenging circumstances. In a blind survey we asked whether you thought each of the five elements:

A. was appreciated, valuable & worth the time spent,
B. didn't provide any benefit (“I'm neutral”), or
C. was offensive such that you hoped we would not do that again!



We held our breath a bit as we reviewed your responses...and we were thrilled! **Sixty nine percent of you said that you appreciated and got value from all five elements of the gratitude subject.** Only 1% of the respondents said all of the five gratitude elements were “offensive” (if you were one, please be assured that we didn't intend to offend even one person). The rest of you found some value and appreciated some of the five elements, tho not all.

A few more specific findings help us as we consider future meetings and the appropriate content. Having attendees write down things they are grateful for was the *least* appreciated element (76% of you liked it), followed by the worksheet and suggestions for adding your gratitude thoughts to your estate plan (appreciated by 84% of respondents). Each of the other three elements were appreciated by about 90% of the respondents. Does it seem odd to you that *when we ask you to do something you don't appreciate it as much? Hmm...very interesting!*

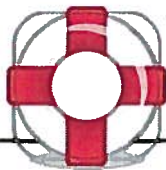
Of all possible check-mark responses, 86% were positive, 12.7% neutral and just 1.3% negative. But in addition to check-marks, we received many handwritten comments. The positive comments outweighed the negative at about the same rate as the check-marks.

A growing number of you are including thoughts of gratitude, faith, values and hopes in your living trust documents, a trend we truly appreciate as we try to help make clients' plans work in every possible way. Allow us to add such thoughts to your living trust at your next **Client Update Program™**.

“Written or recorded reflections of our life wisdom and experiences, encrusted with the beauty of our words of love, appreciation and faith in their goodness and potential, are the only riches our posterity cannot squander.” *John A. Warnick*

Alternatively, keep a ‘gratitude journal’ and leave it to your loved ones. Write letters of thankfulness and leave them to loved ones.

Might those turn out to be your heirs' most valued treasures?



Oh, please SAVE ME! ...in Tab F of the Personal Information section of your LifeSpan Client Organizer™!



DVDs of the Annual Family Reunion™

As you now know from pages 1 and 3, if you miss an AFR, you miss a gold mine of information! We video-recorded the last AFR meeting. We have copies of that program available on DVD, but unlike our usual A-V library, the AFR is available for purchase as follows:

- If you attended the AFR and want a copy of the meeting for review, for your family, etc., we will charge only our normal estimated variable cost of \$20 including shipping (\$15 if you pick it up at our office).
- If you did not attend, we think you should have and review this information. But, to be fair to those who did make the effort and attended in person, the non-attenders' charge is \$55 (\$50 if you pick it up at our office). This includes copies of all printed materials that were presented, also.
- If you did not attend but have already made arrangements to get a copy of the DVD, or believe that you had an exceptional reason (health issues, family emergency, impossible work schedule, etc.) for not attending, please let us know...we do not want to create a hardship, and will adjust your fee accordingly.

Special Delivery System™

As clients get older and become less able to get around, attend meetings, and so forth, we have looked for ways to accommodate them. Our LifeSpan™ Member Agreement provides you with the most efficient way we could come up with to deliver updated information (Annual Family Reunion™ and all of the other group programs) and updated documents (Client Update Program™). We designed this membership and set our fee based on what most people need, can and will receive for the rest of their lives. When a client is incapable of participating in the standard process for updating, making special arrangements for you increases the law firm costs.

Our **Special Delivery System™** was designed to be as much like the standard updating process as possible, make special signing arrangements to the extent necessary, yet keep fees as low as possible (\$425/year). If you are having difficulty attending the group meetings, but *have a trusted family member who could and would attend and learn for you*, inquire about this special accommodation.

Funding Forum

- Sherry French -

Be a good steward over your assets. Just as you try to choose the best Accountant, Financial Advisor, Insurance Agent, Banker, and Estate Planning Law Firm, choose to *do your best to follow through* with your estate planning for your family. Of course, I am talking about funding. If your assets are not titled correctly, even the best living trust won't work!

I really appreciate you all who really stay on top of things and I know your family will too!

Following up from the AFR and the **Retirement Plan Review Program™** in June, Curt asked me to remind everyone how important it is to have primary and contingent beneficiaries named on your retirement accounts (IRAs, Roth IRAs, 401k's, 403b's, etc.). If you will look under **Tab D** (in the **PERSONAL INFORMATION** section) of your newly-updated **LifeSpan Client Organizer™** you should find Letter of Direction forms for all sorts of assets, and on retirement accounts we recommend for nearly all clients that there be both primary and contingent beneficiaries named. (For married couples, we usually recommend primary and contingent beneficiaries on non-qualified annuities, too.)

For married couples, especially if your children are grown, we have often recommended that you not only name your trust as primary beneficiary and your spouse as contingent beneficiary, but also your children or their separate protective trust shares as the tertiary, or "third" beneficiary. Some institutions refuse to maintain a record of three levels of beneficiary. But if your Letter of Direction form includes a "third" level beneficiary, *ask your investment advisor or firm whether they have listed all three levels in their records* for you. If not, *ask them to add the third beneficiary* as shown on your Letter of Direction (and of course, call if you or they have any questions). Then have them send proof of this designation to us.

In some instances, having that additional beneficiary level designated can provide significant tax advantages at the time of your death! For more information on why, you might want to attend the **Retirement Plan Review Program™** scheduled for August 28 in Marshall, Illinois.

Docubank SAFE® Service

At the past two Annual Family Reunions™ we discussed **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.



Through your current Docubank® membership you can go on the internet and create your own, password-protected virtual safe and store anything that can be saved as a “pdf” file. This is included—no additional charge!—in your LifeSpan™ Membership provided through our firm.

If you want us to save and store documents for you, subscribe to the Docubank SAFE® Premium services for a small additional fee. If you give them your password, all of your kids could look at your estate plan as if they had your Red Book in hand.

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.

Client Update Program™

Those of you who are **EVEN** year clients, it is your year! Our **Client Update Program™** (CUP) is where we update your living trust and supporting documents, and update YOU, too! If it is your year (we know a few clients who don't regularly wear their T-shirts forget whether they are “odd” or “even” ☺) you'll be receiving an **Estate Planning Review Worksheet** (EPRW) in the mail in the next few days. 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 and please do your best to hit the August 1 deadline! We must have this well in advance of 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.



If it isn't worth funding, it isn't worth keeping. Period.

-Sam Collins -

You all know this, but I can tell you first hand from the field: your estate plan will not work the way it is supposed to if your trust is not fully funded. I spoke a little about this issue at this year's Annual Family Reunion™, but I don't feel like I was blunt enough about it: **leaving assets outside your trust creates a mess for your successor trustees when you die!** Assets left outside your trust creates a whole new layer of retitling, as we must now move those assets into your living trust so your successor trustee can administer them. Once the asset is moved into your trust, then in many situations the company makes us “start from scratch”, as we must then do the paperwork and supply the documentation necessary for successor trustees to take control of the asset. This would have been step one had the asset been funded, but if unfunded we are doing this weeks, or even months later!

Also, intentionally leaving assets outside your trust needlessly risks a probate. Some of you may have heard that you can transfer up to \$100,000 without a probate proceeding, but I am going to ask you to forget that number. Probate or not, it is still extra hassle and paperwork described above (and it still drives settlement expenses up). Another reason to forget that number—there are still conditions that could exist at the time of your death which would make probate the only avenue to transfer the asset, no matter what its value.

The motivation I sometimes hear for leaving an asset out of your trust (like a small stock account, or bond) is that it is “too little to mess with.” If that's the case, liquidate it! Convert it to cash. I cannot, as I write this, think of a situation where ownership of something that is too inconsequential to fund properly so that your estate plan works is worth keeping. The title to this article is a good litmus test—if it's worth keeping, it's worth funding.

Before I wrap up, some of you may take me to task on old vehicles that you left out of your trust. You know, the old \$500 pickup (you insisted “it's not worth paying \$98 to retitle it!”). The state has a procedure that makes it reasonably easy to deal with on death, so we can let that slide. But just this once!

Handy Dandy Cards

- Sarah Rupe -

I have yet another reminder to you of the importance and usefulness of your existing **Docubank®** membership. This is something we provide to our LifeSpan™ clients at no additional charge. **Docubank®** is automated and responds immediately, 24-7. You [or your medical providers] can obtain your health care directives (Health Care Power of Attorney and Living Will) in a flash!

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

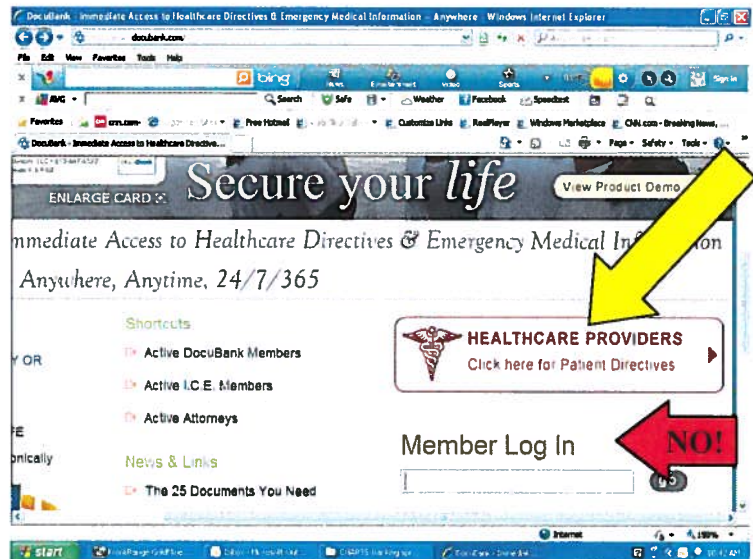
We recently had a client make a great suggestion to us. She, along with her husband and her mother are LifeSpan™ clients, so they all have **Docubank®** memberships. Her mother was rushed to the hospital and had an immediate surgery, but her mother's wallet was left at home (which contained her **Docubank®** membership card). The daughter then realized it would be helpful if she had a copy of her mother's card in her own wallet. Now, in addition to her own **Docubank®** card, she carries a copy of her mother's and her husband's **Docubank®** cards.

Another handy card that you, as a LifeSpan™ client, have is what we refer to as a Trust ID card. Sherry gives these out at the Funding Forum. This has your trust and trustee name/s on one side and has our contact information on the other. We provide these to you so that when/if you obtain new assets, you have your trust information handy for titling purposes. Please don't confuse this with your **Docubank®** card, even tho we think you should carry BOTH in your wallet.

Two quick points and I'm done:

1. Consider carrying a copy of your loved one's **Docubank®** card. **Docubank®** provides them at a small charge; or just laminate a photocopy.
2. 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. If they choose to go online to get your health care directives, they do not need any passwords except the information on your card! There has been

confusion on this point by some, and it was because they were trying to "log in" to the client's account. To get your health care directives, they need only click on the large 'button' shown below (yellow arrow) and provide the member #, PIN, and name from your card. They **do not** need to go to the member log in area (red arrow). That area is for you to update your information.

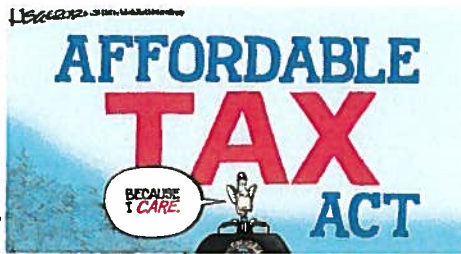


Poorer Spouse Technique

- Sam Collins -

Recently in the trust settlement department we have observed in real life the planning advantages of what we call the 'Poorer Spouse Technique.' Many of our married couples choose to include this planning technique into their trusts as a way to fully utilize the first spouse's coupon at the first death. This enables the deceased spouse to effectively check more assets out of the IRS supermarket. An example might help: Bob and Mary each have their own living trust, each with approximately \$4 million of assets. So, overall they have a total estate of 8 million for federal estate tax purposes. Bob dies in 2012, with a current federal estate tax coupon of 5 million dollars, and a state estate tax coupon of 3.5 million. Each had granted the other in their respective living trusts the power to appoint assets from the survivor's living trust in Article Four, and exercised the power in Article Six. What happens?

At Bob's death, his estate is 4 million, but the PST power is drafted so that it pulls an additional one



million of assets from Mary's Living Trust, so that his estate is now 5 Million (the federal Coupon limit). A Family Trust is formed holding 5 million dollars worth of assets, of which Mary is the beneficiary. The Family Trust is then split into a Family B Trust (which holds assets up to 3.5 million—the *state* estate tax exemption) and a Family A Trust (which holds the remaining 1.5 million in assets). The trustees have the flexibility to pick and choose the best assets to put in the A Trust, the B Trust, and what qualifying assets they wish to pull in from the survivor's living trust (or, choose none at all!). The assets in the Family Trust are protected. It is as though that 1 million pulled from Mary's trust was in Bob's trust all along; the assets pulled in this manner even receive a step up in basis because they were included in Bob's estate for federal estate purposes. Mary still has the benefit and control of those assets (assuming she is trustee of the Family Trust) but her estate for federal estate tax purposes is now down to 3 million. If the federal estate tax coupon goes down, some significant estate tax savings may be realized by the decision to include the PST technique. But as we often say about everything in estate planning, *it's not just about estate taxes*—the current basis step up and the school bus trust protections of the Family Trust are also benefits garnered by this technique.

Don't remember whether you built this into your plan? You could look near the end of Article Four for wording about a general testamentary power of appointment, or more simply, look at page 2 of your design template. If there is a line from the survivor's trust to the Family Trust (probably labeled 'PST' or 'Poorer Spouse') then you have it. If you don't have it included, but wonder if it makes sense for you to include it, call and schedule a Personal Counselling Review. With the possibility of a lower federal coupon looming on the horizon, along with other advantages, now would be a great time for married couples to reevaluate this powerful technique.

Education Overview

- Gayla Ball -

Hello everyone! Hope this newsletter finds you all having a great summer. My family just finished a vacation to Washington, DC (which was awesome), and are looking forward to some days at Kentucky Lake. At this rate, it will be fall and school will be

starting before you know it!

Here at The Estate Planning Center we are keeping quite busy, also. Most of you attended one of the six **Annual Family Reunions™** (AFRs). As always, it was great to catch up and visit a bit with so many of you. If you were unable to attend, you might want to purchase a DVD (see page 4).

This summer, we offered our newest program in the **Made Simple Series™: Disability Transitions Made Simple™**. We had an almost-full gymnasium of clients and Helpers in attendance, and we received some very positive feedback. More and more we are dealing with clients whose families are facing these difficult decisions. Education is a key to successfully navigating this phase of life. We will be offering this program one more time this year, November 24, 2012 in Salem. If you and/or Helpers can attend, make a reservation as soon as possible!

If you haven't checked out our website lately, you may want to take advantage of some of the programs now offered on line. **My Spouse's Estate Made Simple™** and **Receiving My Inheritance Made Simple™** are both available to you and your helpers by using the Username and Password available exclusively to LifeSpan clients. If you don't remember what this is, see the top of page 2.

Retirement Plan Review Program™ is also a new workshop for our clients. If you missed the program in Salem on June 21, Curt will be presenting it again in Marshall on Tuesday, August 28 at 2pm.

Also, remember to mark your calendar and make a reservation for our annual Bluegrass Family Fun Night here at the Estate Planning Center on Friday, September 21st. You don't want to miss the good food and great music!

Last, but not least, as our LifeSpan™ family of clients continues to grow, I want to remind you how very important it is to make reservations for any of our programs you are interested in attending. Due to limited seating and material preparation it is imperative to make reservations. Of course, unforeseen circumstances can happen, and you may need to cancel, which we understand. Don't forget to watch your mail for confirmation letters with details of times, locations, etc. before every workshop.

I'm always a phone call or email away, if you ever have questions or need assistance.

"Surely what a man does when he is taken off his guard is the best evidence for what sort of man he is." C. S. Lewis



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

The recent Supreme Court ruling on 'ObamaCare' is a grave disappointment. Finding that it is a tax increase instead of mandate to engage in commerce provides me no consolation. The entire premise of third-party-payor provision of medical services is faulty, and will result in increased demand for and cost of delivering medical services. This will be followed by restrictions on access (commonly referred to as rationing) and price controls, which will drive down quality. Richard Vedder, Distinguished Professor of Economics, Ohio University, explains: *"When third parties pay a large part of the bill, at least temporarily, the customer's demand for the services rises and he is not as sensitive to price as he would be if he were paying himself."* This is an indisputable fact of human nature, yet socialistic economic policy refuses to acknowledge it. I further submit that ObamaCare is not only faulty economic theory at work, but also the most sweeping exchange of liberty for imagined security—health care in this instance—ever enacted. Why is reality so hard to see? The law delegates to unelected bureaucrats virtually limitless regulatory authority over our personal decisions. I share the sentiments of Samuel Adams when he wrote, *"If ye love wealth [today he might add, "or a promise of free health care"] better than liberty, the tranquility of servitude better than the animating contest of freedom, go home from us in peace. We ask not your counsels or arms. Crouch down and lick the hands which feed you. May your chains set lightly upon you, and may posterity forget that ye were our countrymen."* I do not believe it an exaggeration to say that ObamaCare is a source of all manner of chains—mandates of specified behavior on penalty of jail for tax evasion—to be laid upon us. No matter what the politicians say they want their constituents to receive, it is not liberty. No, the busy-bodies who enacted ObamaCare do not believe in freedom. Milton Friedman explained their beliefs: *"A major source of objection to a free economy is precisely that it ... gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself."* Proponents of ObamaCare are that "particular group" who have determined what people "ought to" want, which includes a right to spread the cost of their unsafe and unhealthy choices across people who choose to live lower-risk lives. It is unconscionable. I will vote only for candidates who promise to repeal ObamaCare. *My opinion! Curt*

