

Summer, 2010

PLANS THAT WORK. PEOPLE WHO CARE.™

AFR Report

We had an excellent turnout for the **Annual Family Reunion™** (AFR) meetings this spring. Those of you who missed it will just have to wonder about all the great content—or get a DVD of it!

One major topic we covered was the “estate tax purgatory” we are currently in. The “2001 Bush Tax Cut” which eliminated the estate tax in 2010 *actually did...* at least as of the date this newsletter is going out. Congress is threatening to re-enact the tax on estates in excess of some amount (that is part of their debate) and there is even talk of making it retroactive to the first of the year; impose the tax *backwards* on deaths that *occurred when there was no* estate tax actually on the books!

The bigger concern for most readers, however, is what happens after this “purgatory” year: **if no new law is passed, the estate tax will be back on all estates larger than \$1,000,000.** In other words, the “IRS Coupon” will be limited to \$1,000,000 again, like it was back in 2002. (Recall that our plans help married couples shelter twice that amount.)

Contact your Senators and Member of Congress and urge them to vote in favor of a substantial increase in the coupon (the estate tax exemption) starting next year. Ask them to set it at \$5,000,000, or *at least* \$3,500,000 (those are the numbers most talked about). If they don’t, quite a few clients—couples worth more than \$2,000,000 or singles worth more than \$1,000,000—will need to seriously consider some advanced tax planning in order to reduce or eliminate the estate tax that will be due on your deaths. I would rather Congress act than have to provide a lot of additional planning (for additional fees, unfortunately) for existing clients who did not expect to “need” any advanced tax planning.

Clients’ **LifeSpan Client Organizer™** were updated at the AFR and our **LifeSpan Learning Solution™** calendar was previewed. More on these later in this newsletter!

"All wisdom is plagiarism, only stupidity is original."
- Hugh Kerr

2010 Client Update Program™

Remember, our Even Year clients are due to attend the Client Update Program™ this fall. Dates have been announced to those clients in a separate mailing, and will be filled on a first-come-first-served basis. *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.

Our—and Your—Summer Team

The Estate Planning Center team has a new “member”: healthy little **Emily Grace Rupe** was born to Sarah and Steve on June 12, 2010. While Mom is recuperating and baby getting adjusted to the outside world, Sarah is not going to be in the office for awhile. She could probably run things from home anyway if we just let her!

But to help answer the phones and do a thousand other things that Sarah normally would, **Abby Ball** is our temporary receptionist and assists the rest of the team you know and love...Sherry, Gayla & Curt!

When A Loved One Passes Away...

Have you seen our new ½ page handout? Everyone who attended the Family Education Program on June 19 got a copy of this new quick-list of “Things to Do” and “Things NOT to Do.” Give us a call or stop by the office if you would like a copy...or copies for all members of your family.

FORECAST FOR THE FUTURE

Business... will continue to go where it is invited and remain where it appreciated

Reputation... will continue to be made by many acts and lost by one.

People... will prefer to do business with those who know their business.

Performance... will continue to outsell promises.

Enthusiasm... will be as contagious as ever.

Knowledge... will always surpass guessing.

Trust & Honesty... will keep clients loyal.

From Swift Greenhouses business card

Funding Forum

- Sherry French -

Thank you all for updating your Asset Review Reports and helping me keep your asset lists up to date. “Document Dump” was mentioned at our AFR. Remember that? Well that is at the end of the year when everyone sends in their updated Asset Review Reports and Red Check Review™ material for *all their new assets for the whole year* at the same time. I just want to remind you that it is okay (actually, it is preferable!) to send in your new assets through the year *as you acquire them*. Take advantage of Red Check Review™ make sure your assets are correctly in your trust at the time you acquire them. You don’t want your family to have to deal with an asset that is not funded—just in case you died during the year. Keep sending in paperwork throughout the year for **Red Check Review™!**

Whenever you get a new asset make sure it is put into your trust correctly. In Tab 4 of your LifeSpan Client Organizer are Letters of Direction and other forms to help you with new assets. For an institution that wants more information from your trust, remember to go to the “**black clip**” in your Red Book: the **Affidavit of Trust** with copies of trust provisions attached!

Outdated Letter of Direction Forms?

We’ve had a few occasions where a client pulled an *old* Letter of Direction form out of either their own file, or their Red Book, or from their Client Organizer and sent it to a financial institution. One way you know whether your forms are outdated is to check the addresses included in the form: *your* address near the bottom of the page, and *our law firm address* a couple paragraphs up. If our address shows the “P.O. Box 418” then *you know you have outdated* Letter of Direction forms. Just ask me and we’ll send you an updated set! These forms should be kept near the end of Tab 4 in your **LifeSpan Client Organizer™**.

Please give me a call if you have any questions. That’s what I’m here for! It’s all about **helping you make sure your estate plan works!**

“The greater the power the more dangerous the abuse.” - Edmund Burke



Wisdom from the Gipper:

“Concentrated power has always been the enemy of liberty.”

“Don’t be afraid to see what you see.”

“Freedom prospers when religion is vibrant and the rule of law under God is acknowledged.”

Settlement Made Simple™ programs

Our new **Made Simple Series™** was welcomed by all who attended the AFRs, and our live presentation on June 19 got great reviews, too! In order to help educate client families over the years we have offered, revised, and expanded our **Nuts ‘N Bolts™** programs, with the most recent major thrust being the **Mixed Nuts™** program offered several times in 2008 and 2009. The biggest complaint was...too much information packed into one meeting.

We listen to you! So for 2010 and forward, our **Family Education Program™** will consist of the following five presentations, called the **Made Simple Series™**:

1. **Estate Planning Made Simple™**
2. **Disability Transitions Made Simple™**
3. **My Spouse’s Estate Made Simple™**
4. **Receiving My Inheritance Made Simple™**
5. **Receiving Wisdom Made Simple™**

Estate Planning Made Simple™ forms the foundation and is available every month. Check our website for the **Introductory Workshops** schedule.

Disability Transitions Made Simple™ is offered at your convenience—via a recorded webinar, available to you anytime on our website!

A version of **My Spouse’s Estate Made Simple** is also available via recorded webinar! Go to our website.

Receiving My Inheritance Made Simple™ was the second “live” program, attended by a large crowd on June 19 in Salem; that program will be repeated in Terre Haute on September 9 at 6 pm.

Finally, **Receiving Wisdom Made Simple™** is planned for November 27, 9am in Salem. A large number of pre-registrations have been received, so call now to get your name on the list!

These two are available on the internet, anytime!

and in the Legal News...

The very dubiously-named “The American Jobs and Closing Tax Loopholes Act of 2010” contains plenty of loopholes and payoffs to special interests. (I think they meant to call it, “*American Jobs Closing and Tax Loopholes Act.*”) But in any event, there were several charitable “extenders” included in that bill, applicable for 2010 only:

1. **Conservation Gift Limits:** Gifts of property for conservation purposes benefit from increased deduction limits. The normal 30% limit for appreciated property gifts is increased to 50% and the carry-forward limit is extended from five years to 15 years.
2. **Food Inventory Gifts:** An enhanced deduction for contributions of “apparently wholesome” food will be available for all donors. The deduction is the lesser of twice the basis or basis plus one-half of the appreciation.
3. **Book Inventory Gifts:** “C-Corporations” may claim an enhanced deduction for book inventory gifts to public schools. K-12 schools qualify.
4. **Computers and Software:** Corporations may make gifts to elementary, secondary and post-secondary schools of computer equipment. These contributions will qualify for the enhanced deduction.
5. **IRA Charitable Rollover:** Each IRA owner may make a transfer of up to \$100,000 per year to a qualified charity. The IRA charitable rollovers are tax-free and not included in adjusted gross income.
6. **Rents from Subsidiary Charities:** Rents, royalties and annuities may be distributed from a subsidiary charity to a parent. Payments at fair market value will not be subject to the unrelated business taxable income rules.
7. **S Corporation Appreciated Gifts:** An “S-Corporation” may give appreciated stock or land to charity. Only the basis to the S Corporation will be used to reduce the shareholder basis, even though the full fair market value deduction is claimed by the shareholder

“In general, the art of government consists of taking as much money as possible from one party of the citizens to give to the other.” Voltaire (1764)

Health Care Bill Imposes New Tax

Among many new fees, fines and taxes imposed by the health care bill passed this spring is an additional tax on upper-bracket taxpayers. If your Adjusted Gross Income is over \$250,000, then any “unearned” income (this does *not* include IRA distributions, pensions, but *does* include rent, royalties, capital gain income, and interest income) is subject to an additional 3.8% tax. Surprised?

LifeSpan Client Organizer updated

Our clients are finding their **LifeSpan Client Organizer™** (the 3-ring “black book”) to be a valuable resource for keeping their plan up to date, staying in tune with and utilizing the services we provide, and generally staying organized. Each year at the **Annual Family Reunion™** (AFR) we provided *updated contents* for the LifeSpan Client Organizer™. For instance, attendees at the 2010 AFR received the following, updated materials:

- The Estate Planning Center Personnel (Tab 1, page 2) – phone, address, email addresses, and pictures of our team members.
- Client Service Plan/The Ideal Week (Tab 1, page 3) – Explanation of how the Ideal Week concept works in our office, and using the Estate Planning Review Worksheet for amendments. Page two of the Ideal Week includes our office weekly schedule, when the team is available, and when the firm is closed (holidays, team training dates, etc.) during 2010.
- The Commitment Clarifier (Tab 1, page 4) – This is the updated “handshake” illustration of what we expect from clients, and what they can expect from us, all to the end of making *your* estate plan accomplish *your* goals!
- Quality Service Commitments and Client Commitments (Tab 1, page 5) – This two-page piece includes a more detailed list (as compared to the Commitment Clarifier™) of commitments: *our* service commitments to our clients, and *our clients’* commitments to do their part in assuring that their estate plan will work.
- Education Summary & LifeSpan Glossary of Terms (Tab 5, page 2) – This is an *all-new reference piece* for our clients, with an in-depth description of the recurring education activity in

[Continued on next page...]



- the LifeSpan Planning Process™ plus a “glossary” of terms and acronyms we use.
- Green LifeSpan Attorney Roster (Tab 5, page 2) - Updated list of Lifespan Attorneys and contact information.
 - Yellow Directory Assistance (Tab 5, page 3) - Phone number to call for a National Network attorney.
 - Blue 2010 LifeSpan Learning Solution Calendar (Tab 5, page 4) - *This is our 2010 calendar of “optional” and “elective” educational events.*
 - The blue Investment Selector/Practice Evolver (Tab 7, page 10) - Updated version of The Investment Selector as currently provided to incoming clients (noting the settlement fee adjustment for families who do not participate in Family Education Programs™).
 - Investment Summary™ (Tab 7, page 11) – “Sample Family” example of the Investment Summary™ as currently provided to incoming clients.

Be sure to attend each AFR so you can stay current with everything we provide to you!

Guess Who Said This... “We ask that the government undertake the obligation above all of providing citizens with adequate opportunity for employment and earning a living. The activities of the individual must not be allowed to clash with the interests of the community, but must take place within its confines and be for the good of all. Therefore, we demand...an end to the power of the financial interests. We demand profit sharing in big business. We demand a broad extension of care for the aged. We demand...the greatest possible consideration of small business in the purchases of national, state, and municipal governments. In order to make possible to every capable and industrious [citizen] the attainment of higher education and thus the achievement of a post of leadership, the government must provide an all-around enlargement of our entire system of public education...We demand the education at government expense of gifted children of poor parents...The government must undertake the improvement of public health – by protecting mother and child, by prohibiting child labor...by the greatest possible support for all clubs concerned with the physical education of youth. We combat the...materialistic spirit within and without us, and are convinced that a permanent recovery of our people can only proceed from within on the foundation of the common good before the individual good. (See p 5)

How Much Can We Give Away?

We are often asked, “*How much can we give our children or grandchildren each year without gift tax?*” We prepared a special report and distributed it at the 2009 AFR, and encourage anyone to call for another copy if you’ve lost it. As you read the following highlights, remember we are talking about **gift tax**, *not* income tax. Gifts to **family or friends** (the “donee” referred to could be *either*) are *not* income-tax-deductible like gifts to charity.

1. Gifts of \$13,000-per-donee-per-calendar-year are gift-tax-free; nothing to report, no tax to pay. These gifts can be made outright or in a variety of other arrangements like to custodial accounts or 529 Accounts. If you are married, you and your spouse can each give the \$13,000.
2. Gifts (in *addition to* the \$13,000/per donee) you make by directly paying for the donee’s tuition is also free of gift tax. This must involve direct payment to the institution of tuition. It does *not* apply to room or board.
3. Gifts to pay for your donee’s medical expenses. This requires that you pay their medical bills directly to the provider (hospital, doctor, etc.); like tuition gifts, you cannot give the money to the donee and let them pay the bill with it; you must pay the medical bill directly.
4. You can pay for the health insurance of any donee, and that is also considered a tax-free gift to the donee. Point your accountant to Treasury Regulation Section 25.2503-6(b)(2) and (3) for reference

To illustrate the above: for each donee you want to help, you (1) give that person \$13,000, plus your spouse could give another \$13,000; (2) pay all of their tuition, (3) pay all of their out-of-pocket medical bills, and (4) buy their health insurance. It adds up!

Generally if you give *more than the above* to any one donee, you will have to file a gift tax return and whatever excess you give will end up coming off of your estate tax exemption when you die; in other words, the excess gifts now will use up dollar-for-dollar part of your death tax coupon.

This is only a brief introduction and, for families who want to move as much money as possible from one generation to the next, we encourage you to consider setting a **Personal Counselling Review™** to discuss more ways to reduce your estate taxes!



Guess Who Said This on page 4...came from the political program of the Nazi Party, adopted in Munich, Germany, February 24, 1920. It sounds frighteningly like rhetoric we hear from politicians today, don't you think?

"If the personal freedoms guaranteed by the Constitution inhibit the government's ability to govern the people, we should look to limit those guarantees." - Bill Clinton

Education Update

- Gayla Ball -

Happy Summer Everyone! We can sure tell it has arrived with the warm days we are having. My family enjoys this time of year, and I hope yours does too.

Once again we successfully completed our Annual Family Reunion™ (AFR) season this spring. As always, it is one of my favorite times to see and visit with so many of our LifeSpan™ clients. If you were unable to attend in person, we do have the AFR available on DVD, so please contact me for a copy.

We also completed the first Family Education Program™ event in our new "Made Simple Series™" which is "Receiving Your Inheritance Made Simple™." I helped Curt prepare the materials for this program, and it turned out to be very informative for our clients and their helpers (see comments box).

As many of you know, I am also Settlement Coordinator here at the Estate Planning Center, and the advance preparation our clients and their helpers get for settlement makes a huge difference during the difficult time of the death of a loved one.

Here is a friendly reminder to all of you that are "Even Year Clients": don't forget this is your year to be involved in the Client Update Program™ (CUP). As you recall, this is when we update your living trust and supporting documents. Many of you just received an ESTATE PLANNING REVIEW WORKSHEET in the mail. It is very important that you indicate any changes you want to make in your plan,

or indicate that you want no changes if that's true, and return to us prior to attending the CUP. This ensures your changes will be in place at the time of signing.

Don't forget, after you finish reading this newsletter, place it in Tab 9 of your Client Organizer for easy access. Remember, if you ever have any questions for me, please do not hesitate to call or e-mail. ☺

"When the time comes to die, make sure that all you have to do is die!" - Jim Elliot, martyred missionary

www.TLCPlanning.com

Is our website in your "favorites" on your computer web browser? Our site was completely redesigned last winter, and now has more useful information than ever. Look around for things like these:

- an updated "Current Commentary" every week or two on political and economic issues.
• recorded Family Education Programs™ for you and your family to watch on line—you know, for those who can never seem to attend our events in person because of travel, schedule, etc.!
• dates for other upcoming programs and events.

For anyone interested in coming to our INTRODUCTORY WORKSHOP, there is a one-click link to the list of upcoming Truth About Estate Planning™ workshops. This free education remains the entry point for anyone who wants to be a client, so if your family or friends show an interest, point them to the schedule on our website. (See more about our website on page 6.)

Attendee Comments...

"Very helpful - thank you"
"Very important new information was presented as well as a very good review of overall info... a must-attend program for helpers."
"I enjoyed this program more because of the specific information provided. Information on a particular topic is easier to retain"
"Very well presented - Just need to get the next 2 generations here to one of the presentations"
"[Particularly liked the] overview and review of material before the in depth discussions."

"The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. People must again learn to work, instead of living on public assistance." - Cicero, 55 BC [Outdated advice? Maybe not!]

"Finally, brethren, whatever is true, whatever is honorable, whatever is right, whatever is pure, whatever is lovely, whatever is of good repute, if there is any excellence and if anything worthy of praise, dwell on these things." Philipians 4:8

"My mind is a garden. My thoughts are the seeds. My harvest will be either flowers or weeds." - Mel Weldon

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

www.tlcpplanning.com provides more resources than ever before!

Have you been to our website lately? We keep adding content regularly, to make it a useful resource to you and your families. The picture below of the home page, with our Educational Programs menu pulled down. The easiest way to find our most recent additions is to actually go on the Home page, left column, down to the box **"What's New"**...and you can click and go immediately.

We plan to start putting our **LifeSpan Client Organizers** and **LifeSpan Helper Handbooks** on line soon. Watch for them!

Meanwhile, to highlight some of the most recent additions, look for the following:

Current Commentary

Every week or two Curt finds a column or other piece in the news talking about the status of our world politically, economically, spiritually, or whatever else might be burning on his heart or mind. You'll know about latest posts under the "What's New" or by going to **Resources>Worldview Matters>Current Commentary**

Online Education!

Follow the arrows in the picture: click on **"Educational Programs"**...go down to **"LifeSpan Clients"** ...then down to **"Online Education!"**

For years we have wanted to put some of our Family Education Programs on-line in video ('webinar') format, and we finally have the first ones available! For anyone not familiar with a "webinar," it is very simple. It's like watching a simple video (the powerpoint slides—the usual "blue screen" when you attend one of our programs in person) on the internet while listening to the presenter speaking on your computer speakers.

The first two "webinars" that you and your family can watch are presentations by Rick Randall—the 'original' LifeSpan attorney—addressing the issues surrounding (1) a **client's disability** and (2) for married clients, what happens at the **death of the first spouse**. All you have to do to "register" is type in your name and email address when prompted, and the video/webinar will start. Each of these helpful presentations is about 90 minutes long. You and your family would benefit greatly from each.

