

# The LifeSpan™ Courier: TLC Planning™ Client Newsletter



The Estate Planning Center, Salem and Belleville, Illinois

Winter, 2004 Page 1 of 5

## 2004 in Review

Our first year fully “on” the LifeSpan™ system is now coming to a close. We’re delighted to report that from your feedback, it was the right direction for us to go, the next logical step to *enhance the value you received* from and through our original (1998 – 2003) **TLC Planning™** process. Be sure to read this entire newsletter! Our objective is only that *your plan works*, and the information here will help assure that it does!

## What a Year It’s Been!

(Sarah Graham, Client Services Coordinator)

It seems like this year flown by faster than any other ever has! I’m sure you all have been busy and have possibly been overwhelmed with the changes in our process and procedures, but I can assure you of this...they are for the best! Thanks for trying to learn all that we have presented to you! Our office has been rather eventful this year with many more workshops than ever and they went magnificently well. I know, I know...there is so much information at the workshops, but we do that so you’ll stay in touch with your plan, and *so your plan will work!*

We have transitioned internally as well; most of your files are on a new filing procedure so that we can access your information more efficiently! I want to remind you that if you ever have any questions or need anything...PLEASE call us! We are here to help you and phone calls are included in your annual maintenance fee!

You may have read the November Wall Street Journal article about the HIPPA information with all the new health care privacy regulations. I did and was pleased to see that we have already taken care of those for our “EVEN” year LifeSpan™ clients, and will take care of you “ODD” people next year! Curt stays on top of these important issues and tries his best to stay ahead of the game and once again he proved himself well!

I hope you have a Blessed Christmas Season and enjoy the time with your family. Time with family is invaluable! Remember, *your family is the reason you have done proper estate planning!*

## Annual Renewal Fee

Our annual maintenance fee for 2005 renewals will remain unchanged—no increase this year! You pay the fee shown on your enclosed **Renewal Form**. Call if you have any questions, of course.

Return of your renewal before the end of the year may also earn you an income tax deduction (please check

with your accountant). In any event, by contract we MUST receive your renewal by January 20. It is our hope you will help our planning by returning your registration much sooner so that we can get started on the physical work that must be done in connection with the **AFR** program. We thank you for your cooperation with this!

## Education Wrap up

(Gayla Ball, Education Coordinator)

Seasons Greetings! I hope this note finds everyone happy, healthy and ready to celebrate Christmas. My family is keeping busy with all the holiday activities, and I’m sure yours is too. This has been a very busy and productive year for Annual Maintenance and Client Education at the Estate Planning Center. The year started with our **Annual Family Reunions (AFRs)**. 82% of our client families participated in one of the four AFRs (including a few who because of sickness, emergencies, etc. were unable to attend but checked out the video) and received their own **LifeSpan Client Organizer™ (Operator’s Manual)**.

Also this year, 43 client families attended one or more of our **Nuts ‘N Bolts I, II and III (Family Education Programs)**. This number was down, but that was OK because we were doing entirely new NNB programs; we’re ready for bigger crowds again in 2005! After the June **Nuts ‘N Bolts I** everyone was invited to Curt’s house where he fired up the grill and cooked burgers for lunch.

The **Client Update Program (CUP)** was especially successful this year. About half of our client families were assigned to the “EVEN” year for their annual updates. There were 6 CUP meetings held at various times and locations. At the end of each CUP meeting, clients signed their updated documents without having to make another appointment to come into our office. This new system seemed to work very well. However, only 72% attended one of the CUPs; another 22% who could not attend made some sort of other arrangements for getting their updated documents (although they missed the explanation of how and why various legal updates were needed). But we are glad to report that eventually 94% did end up with updated, 2004 legal documents.

As another **Community Builder** event, The Estate Planning Center also hosted an evening of Bluegrass fun along with our neighbor Century 21 early this fall for all of our clients. It was a great night of Bluegrass music and delicious food.

Curt Ferguson, Attorney & Counsellor at Law

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I hope this gives you a little glimpse of what is going on here at the Estate Planning Center. If you ever have any questions about any of our client meetings or your annual maintenance please feel free to call me. Have a Very Blessed Christmas!

### **Funding Review**

(Katie Helm, Funding Coordinator)

Happy Holidays! This has been a busy year for me at the Estate Planning Center. Learning to use the new computer program "Funding Pro" and recording all existing clients' information on it has been a challenge. Once all data is entered it is much easier to update assets and create much nicer reports. I have about 60-70% of the client's files entered on the new program, however, if you are still receiving the one or two page report that you have always received, please be patient, yours will be updated to Funding Pro in 2005.

*It is time once again to update your **Asset Review Report**.* Please report any changes in values, cross out any asset that you no longer own, and add any new assets in the space provided. Make all the changes necessary on the report by filling in all information (company, type of account, account number, owner/who's trust, etc.) and return it to me so I can update your files. Please provide documentation for any new asset for our files and for Curt's **Red Check Review**.

The "**Red Check Review**" has been a notable success this year. Most of you are doing a *GREAT JOB* keeping us informed of new assets and proper funding. Please continue to mail copies of paperwork on any new assets *i.e.*, vehicle titles, bank account, investment account, life insurance, real estate, retirement accounts etc. Check **TAB 5** of your **LifeSpan Client Organizer™ (Operator's Manual)**. I will record the information for these new assets on your **Asset Review Report** and also pass them by Curt's desk for a **Red Check Review**, which confirms that they are properly titled or beneficiary is named correctly. Also, 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 appropriate paperwork* (a statement, title, or letter- again, see TAB 5) that shows the asset owner and/or beneficiary is in the trust name shown on the **Asset Review Report** (those who do not have the updated version asset review report will not have the verified✓).

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,

this service is included in your annual maintenance fee. May God Bless You and Your Family in 2005!

### **Workshops: Who Should Attend?**

"When and why do I 'have to' attend workshops?" We get that question from time to time in various forms. At the **AFRs** this spring we'll review this with everyone, but here is a summary.

#### **Why attend any education programs?**

To help make your plan work! The single, most important thing you must know about plans that work is this: most *plans fail* to work effectively and efficiently *because of inadequate understanding by the family and inadequate attention by the client*. Our client and family education programs are designed to overcome that problem, to help the family gain greater understanding and help you keep sufficient attention focused on the plan so you will use it correctly.

If all it took to make an estate plan work properly was *having a "good" legal document*, then I suppose the law firm could do it all for you: just sign papers when we tell you to. But that is the traditional mindset that caused most plans to fail!

There is a certain amount of attention you must give and information that you and your family must be aware of from year to year in order to maintain the plan and be ready for "step 3." If we provided that all to you in one-on-one appointments, you would drop out because we would have to charge more than you would be willing to pay. So, we teach it in workshops.

#### **"Who should attend what programs?"**

We tried to summarize this for you in the summer, 2004 newsletter. Our workshops will continue to evolve over time, and get better as we gain more experience and as you provide us feedback. So any explanation is just a snapshot of the current moment in time, a picture taken of a moving target. But here is another attempt (for those of you who are reading the newsletter!).

#### **AFR & CUP**

These are the core client education commitments, what **LifeSpan™** clients should always attend.

#### ***Annual Family Reunion (AFR)***

All clients need to attend one AFR each year. (Pick from one of the four dates/locations.) In addition, we *invite and encourage you to bring any family members*

and trusted advisors (financial, accounting, insurance, etc.) who should be aware of the planning you have done. The more those people understand our proven process and philosophy, the better your plan will work. The AFR involves updates on our firm (personnel, services, etc.) and the law, plus some education program on issues we believe are of concern to a wide range of clients. The main education program topic for the 2005 AFRs is asset protection, focused especially on protecting assets from nursing home costs.

#### ***Client Update Program (CUP)***

Every client who is personally invited, which is about half of the clients each year, needs to attend one CUP. So each client will be invited every other year. In 2004 we divided our LifeSpan™ clients into two groups, the “EVEN” year and “ODD” year. If you weren’t invited to the 2004 CUPs, then you are either a brand-new-in-2004 client (and will be invited to your first CUP in 2006) or else you are an “odd” year CUP client! Every client in the “even” or “odd” group must attend because we review and sign updated legal documents.

#### **Family Education Program**

These are the “optional” programs to which you need to bring your family from time to time. There is no “minimum” requirement, like once per year, or every other year. If you want your plan to work, you need your family to attend as many as they can as soon as they can, it’s just that simple. The more they know and understand, the more smoothly the plan will work.

Another way of thinking about it is this: the **Nuts ‘N Bolts** workshops are here to help your family be prepared and have an understanding of what you are doing for them, so they’ll be ready to take full advantage of it!

#### ***Nuts ‘N Bolts I: Overview***

The **NNB-I** program was actually new in 2004. We felt the original trustee training programs we had done for several years was jumping in too far ahead, that family members generally had no idea what you had done and why you’ve done it. So we took the **Truth About Estate Planning™** workshop and made adjustments so as to communicate with the Helpers and Beneficiaries (a different “conversation” than we have with prospective clients). They’ll learn the overall **LifeSpan Planning Process™** and **LifeSpan Three Step Strategy™**, plus concepts like “**School Bus Trusts**”,

“**IRS Supermarket**” and “**Estate Tax Coupons**.” **NNB-I** makes a good refresher course for clients as well. *Note: Unless a family member attended NNB-I in 2004, they should attend it (i.e. in 2005) before attending any of the other NNB programs.*

#### ***Nuts ‘N Bolts II: Transfer Process***

The **NNB-II** program was based on the original trustee training we had done for years, but significantly redesigned in 2004 to focus more on the specific appointments and steps that are part of the **LifeSpan Settlement Security System™**; in other words, the actual hands-on process of “carrying out” a living trust at the death of the trustmaker. This is more for your Helpers (successor Trustees or Executors) and *not* so much for the Beneficiaries. Married clients generally serve as Helpers for each other, so you should attend. The Helpers who are first or second choice to be Trustee upon your death especially should attend this, *after they have attended a NNB-I program.*

#### ***Nuts ‘N Bolts III: Inheritance Training/Trust Protections***

**NNB-III** is for all Beneficiaries of your plan. Every client who saw the wisdom of any type of protective trusts for their heirs should do what you can to attend for a better understanding of what that means, and should try to get your heirs to attend so they have an idea how much they will benefit from that planning. If you die and they learn about a protective trust for the first time, they are likely to be frustrated at least until they get familiar with the concept. This workshop will greatly lower the stress level for the family members who are going to inherit.

#### ***Nuts ‘N Bolts IV: LifeSpan Administrative Support Team***

**NNB-IV** is on the drawing table, but hasn’t yet been presented. Its purpose will be to teach Beneficiaries who are also going to be Trustees of their own inherited trusts (starting with surviving spouses, as Trustees and Beneficiaries of a Family Trust) the record keeping and administrative requirements. Just because you inherit a trust that is protected from creditors, divorces, etc., doesn’t mean it will automatically stay protected! It has to be used correctly. (Like your living trust won’t work properly at death if you don’t use it right while

living.) We expect to roll this workshop out in late 2005 for the first time, then make it an annual event.

### Long Term Care Insurance

We encourage clients to consider purchasing long term care insurance if your health and cash flow permit. In addition to the protection and peace of mind the insurance can give, there are tax incentives, too.

Premiums paid for long-term care insurance are deductible as a medical expense if all medical expenses exceed 7.5% of adjusted gross income. Since premiums on average increase more than tenfold between the ages of 40 and 70, this deduction increases substantially with age. The maximum long-term care premium you can add to your other deductible medical expenses is based on your age at the end of each tax year.

Employer contributions to long-term care insurance for their employees are tax deductible for the employer, and premium payments are not taxable income to the employees. Benefits from a long-term care plan are excluded from income up to the lesser of the actual costs incurred or \$63,875 per year. The annual limitation will increase with inflation in future years.

*(information from National Legal Research Group, Inc.)*

### Another Tax Cut Passed

You'd almost think this was an election year! The "Working Families Tax Relief Act of 2004" was passed by Congress on September 23, 2004, and signed by the President. Relief from the so-called "marriage penalty" and the "alternative minimum tax" is extended. There appear to be no provisions directly affecting the federal estate and gift taxes. As you might expect, Curt is on top of the issue!

If you are reading this paragraph, pat yourself on the back...no, wait, we'll do it for you! Read carefully: We're testing the readership of our newsletter. The name of each client who calls and tells Sarah, Gayla or Katie "Merry Christmas, I read the newsletter readership test!" will be entered in a drawing for a Wal-Mart gift card (it's the closest thing to cash we could think of). Four names will be drawn during the February AFR, the first three receiving twenty-five-dollar gift cards, the fourth name drawn will win the grand prize card of fifty dollars! I'm guessing your odds are good...

### Internet

Some of you use the internet for news, and we want you all to consider our website a resource. Our

newsletters are being posted there. LifeSpan programs are posted for months in advance. Our prospective client workshops (Truth About Estate Planning™) are posted. Visit [www.tlclplanning.com](http://www.tlclplanning.com) to stay informed!

Some of you have provided us with email addresses, but we would like to gather addresses for all LifeSpan™ clients who use e-mail, as a more efficient way of communicating. We anticipate that within the next few years there might be occasion to use e-mail or our website to deliver simple amendments or other estate plan updates or information.

Please help us out by sending an email to Sarah, asking her to save your address in her database.

Also, anytime you want to communicate with us by e-mail, use these addresses:

Sarah Graham .....tlclplanning@ussonet.net  
Katie Helm.....katieh@ussonet.net  
Gayla Ball.....gayla@ussonet.net  
Curt W. Ferguson.....cwf@ussonet.net

### Helping More People Like You

Remember, if you have friends or family who need to do estate planning, and you want them to take the *most reliable route to an estate plan that works*, then refer them to our next **Truth About Estate Planning™** workshop.

Check the website or call any time for upcoming dates and locations. Our client group grew nicely again in 2004, but the more clients there are in our LifeSpan system, the stronger it is ... so we can be there when your family needs us for "step 3."

### 'Twas the Night Before Christmas

*(as edited by an attorney other than Curt)*

*[Note: Having been accused once or twice in my life of "pontificating," (i.e. explaining how to build a clock when asked for the time) I thought I would share this example of how bad lawyers can really be! Curt]*

Whereas, on or about the night prior to Christmas, there did occur at a certain improved parcel of real property (hereinafter "the House") a general lack of stirring by all creatures therein, including, but not limited to a mouse.

A variety of foot apparel, e.g. stocking, socks, etc., had been affixed by and around the chimney in said House in the hope and/or belief that St. Nick a/k/a/ St. Nicholas a/k/a/ Santa Claus (hereinafter "Claus") would arrive at sometime thereafter.

The minor residents, i.e. the children, of the aforementioned House, were located in their individual



beds and were engaged in nocturnal hallucinations, i.e. dreams, wherein vision of confectionery treats, including, but not limited to, candies, nuts and/or sugar plums, did dance, cavort and otherwise appear in said dreams.

Whereupon the party of the first part (sometimes hereinafter referred to as “T”), being the joint-owner in fee simple of the House with the party of the second part (hereinafter “Mamma”), and said Mamma had retired for a sustained period of sleep. (At such time, the First and Second parties were clad in various forms of headgear, e.g. kerchief and cap.)

Suddenly, and without prior notice or warning, there did occur upon the unimproved real property adjacent and appurtenant to said House, i.e. the lawn, a certain disruption of unknown nature, cause and/or circumstance. The party of the first part did immediately rush to a window in the House to investigate the cause of such disturbance.

At that time, the party of the first part did observe, with some degree of wonder and/or disbelief, a miniature sleigh (hereinafter the “Vehicle”) being pulled and/or drawn very rapidly through the air by approximately eight (8) reindeer. The driver of the Vehicle appeared to be and in fact was, the previously referenced Claus.

Said Claus was providing specific direction, instruction and guidance to the approximately eight (8) reindeer and specifically identified the animal co-conspirators by name: Dasher, Dancer, Prancer, Vixen, Comet, Cupid, Donder and Blitzen (hereinafter the “Deer”). (Upon information and belief, it is further asserted that an additional co-conspirator named Rudolph may have been involved.)

The party of the first part witnessed Claus, the Vehicle and the Deer intentionally and willfully trespass upon the roofs of several residences located adjacent to and in the vicinity of the House, and noted that the Vehicle was heavily laden with packages, toys and other items of unknown origin or nature. Suddenly, without prior invitation or permission, either express or implied, the Vehicle trespassed physically upon the roof of the House, and Claus entered said House via the chimney.

Said Claus was clad in a red fur suit, which was partially covered with residue from the chimney, and he carried a large sack containing a portion of the aforementioned packages, toys, and other unknown items. He was smoking what appeared to be tobacco in a small pipe in willful and direct violation of local ordinances and health regulations.

Said Claus did not speak, but immediately began to fill the foot apparel of the minor children, which hung

adjacent to the chimney, with toys and other small endowments. (Said items did not, however, as to any one donee exceed in value the sum permitted under the annual gift tax exclusion pursuant to the applicable provisions of the U.S. Tax Code.) Upon completion of such task, Claus touched the side of his nose and flew, rose and/or ascended up the chimney of the House to the roof where the Vehicle and Deer waited and/or served as “lookouts.” Claus immediately departed for an unknown destination.

However, prior to the departure of the Vehicle, Deer and Claus from said House, the party of the first part did hear Claus state and/or exclaim: “Merry Christmas to all and to all a good night!” ... or words to that effect.

### **Do This Now:**

One last “action summary” to make sure you take appropriate action!

- You have read (presumably – you’re at the end now!) the newsletter. Now **READ** the *yellow* **Renewal Form**.
  - **DECIDE** the best date/location for you to attend an *Annual Family Reunion*, then
  - **MARK** that date two places: **1.** on the *yellow* **Renewal Form** and **2.** on *your calendar*!
  - **MAIL** us your retainer *check* with the *yellow* **Renewal Form**.
- Do the above immediately. Then, as soon as you can gather the information,
- **REVIEW** your enclosed **Asset Review Report** and make corrections for Katie, and then return it as soon as possible, but by January 31 or no less than 30 days before you’re scheduled to attend an *Annual Family Reunion*.

When we get your **Renewal 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 Katie!).