



Estate Planning Tips

If you are among the two out of three farmers that have not done any serious planning, your estate will probably be taxed significantly more than necessary. Most others pay no estate taxes at all, while the majority of farm families do. Estate planning cuts across the fields of legal, financial and insurance planning, and calls for an understanding of farm and family business issues. Bringing the next generation into the family business is also a part of estate planning.

SOME AREAS TO CONSIDER:

- ♦ *Planning for untimely death and disability, including a contingency plan for your business. For example, will your spouse run the farm?*
- ♦ *Working out a plan with an estate planning team - accountant, lawyer, consultant and insurance underwriter*
- ♦ *Wills, estates, trusts*
- ♦ *Gifting*
- ♦ *Special farm use valuation*

QUESTIONS TO ASK ABOUT RETIREMENT PLANNING:

- ♦ *Do you know how much income Social Security will provide?*
- ♦ *Are you familiar with various options in tax-deferred retirement plans (IRAs, Keoughs, SEPs)?*
- ♦ *Are you aware of the financial options your life insurance may provide at maturity?*
- ♦ *Have you considered the tax effects of leasing or selling real estate after retirement?*

Answering these questions will help ensure that your operation can remain viable after the passing of the primary operator.