

# Legacy Planning

Taking the First Steps...

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Speakers:



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Managing Partner, Christianson PLLP

**Succession Planning for  
Next Generation Farmers**



**Joel Gratz, CPA**

Partner, Christianson PLLP

**Leaving a Lasting Legacy:  
Planning Your Estate**





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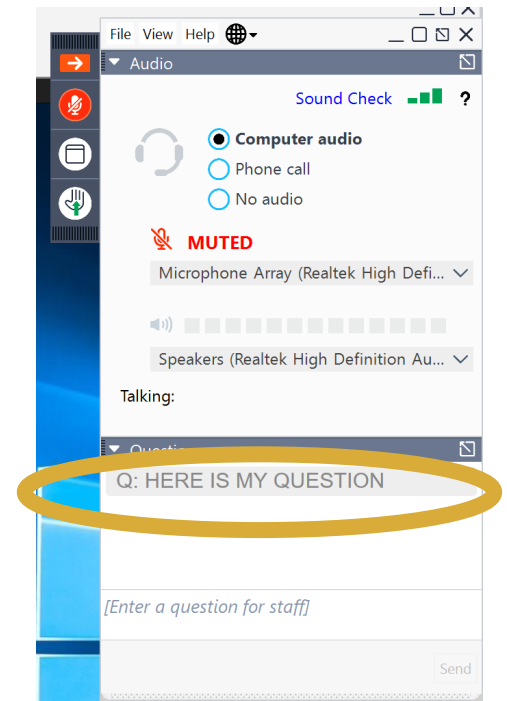
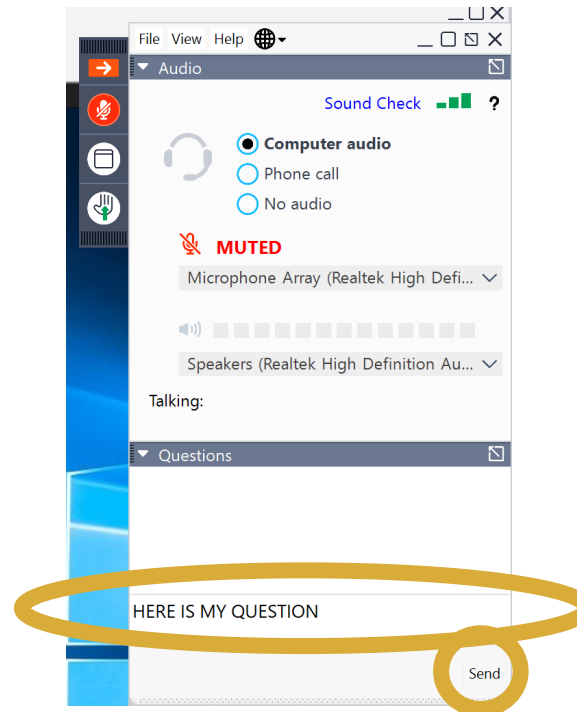
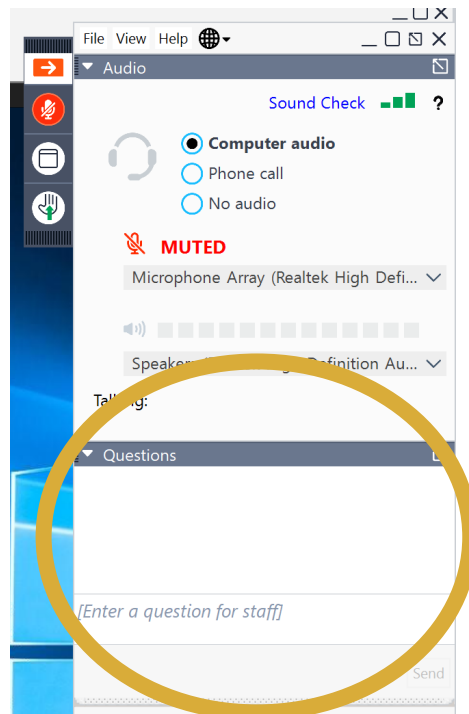
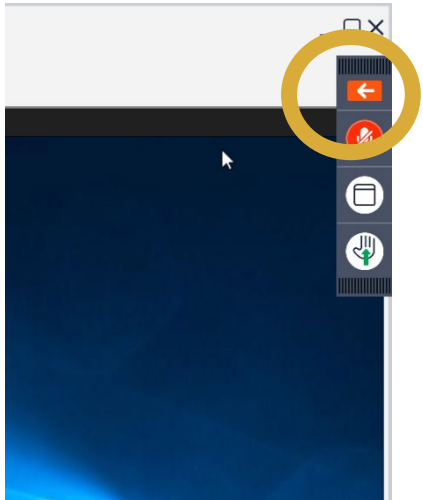
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# Housekeeping Items

- > Your phone will be muted, but we still welcome questions!
- > To ask questions, please use the pop-out button on the right side of your screen





# Welcome!



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# Agenda

- > Discuss: Why?
  - > Important to have an Estate Plan
  - > Why it is hard
- > Summarize Estate Tax laws
- > Discuss Planning Tools & Strategies
- > Planning for off farm heirs
- > Develop your Estate/Succession Plan
- > Develop your Communication Plan
- > Take the First Step





# Why is it Important?

- > Succession plan for Your Farm
- > Plan Your Legacy
- > Plan Your Retirement
- > Minimize Estate Taxes
- > Avoid public probate process



# Why is it Hard?

- > Lifetime of work - your memories
- > Transfer of assets
- > Signals end your generation
- > Transfer of control
- > Manage equity and control





# Family Dynamics

- > Understand your family
- > Avoid estate topics - why
- > Get help explaining estate plan



# Estate and Succession Planning Tools



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# Estate and Succession Planning Tools

- > Your Estate Plan is like a project on the farm
- > Different projects require different tools
- > You grab your toolbox full of tools for many projects
- > You have the choice to grab the right tool for the project
- > Once your succession plan goals are outlined we grab the toolbox



# Succession Planning Toolbox...the Basics

- > Power of Attorney documentation
- > Life directives
- > Estate inventory listing (descriptions and values)
- > Pour-over Will
- > Revocable living trust





# Succession Planning Toolbox...the Specialty Tools

- > Projected cash flow model both ST and LT
- > LT care insurance
- > Life insurance
- > Gifting strategy both ST and LT (how much, when and what asset)
  - > Management of asset step-up basis
- > Charitable giving strategy



# Succession Planning Toolbox...the Power Tools

- > Entity utilization
  - > Operating entity for day-to-day and equipment
  - > Real estate entity
- > On-farm heir asset transfers
  - > Gift, lease or sale
- > Charitable Remainder Trusts
- > Defined Benefit Plans
- > Communication modeling





# Off-Farm Heirs



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# Dealing with Off-Farm Heirs

- > Fairness
- > On-farm heirs – sweat equity
- > Estate equitable, not equal





# Communication is Key

- > Explain plan to family
- > Use estate advisor – family meeting
- > This is Mom & Dad's plan
- > Greatest gift to children



# First Step is the Most Difficult

- > Start the discussion
- > Set goals
- > Prioritize goals
- > Discuss expectations
- > Get help





# Develop Your Plan

- > Work with advisor
- > Family dynamics
- > Communicate - family meeting



# Take the first step!



# QUESTIONS?



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