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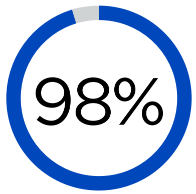
Land As Your Legacy® | An inside look

What you can expect from a Land As Your Legacy® transition plan

About



of U.S. farms are operated by families[1]

Only

1 in 3

of them have transition plans in place[2]

Without a plan in place, the state you live in will decide how your farm will be distributed.

[1] A 2021 USDA report of statistics compiled from an Agricultural Resource Management Survey of 11,841 farms.

[2] "2021 Family Business Survey: US Findings," PwC, pwc.com/us/en/services/trust-solutions/private-company-services/library/family-business-survey.html.

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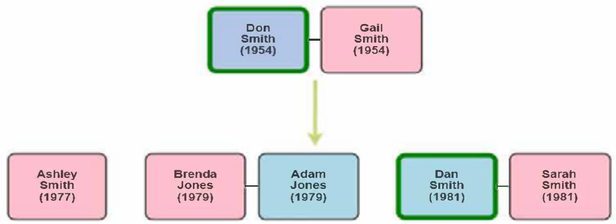
Overview



Net Worth	
Cash	$1,100,000
Non Qualified Accounts	$553,298
Investments	$550,000
Cash Valueof Life Insurance	$335,000
Accounts Receivables	$200,000
Farm Land	$18,000,000
Partnership Business Interests	$8,240,000
Personal Residence	$695,000
Personal Property	$75,000
Real Estate	$2,615,000
Vehicles	$170,500
Total Assets	**$32,533,798**
Total Liabilities	**$2,567,200**
Net Worth	**$29,966,598**

Income	
Taxable Interest	$10,000
Dividends	$30,000
Farm Income	$500,000
Expenses	**$405,000**
Net Income	$135,000

Life Insurance	
Life Insurance – Don	$3,471,970
Life Insurance - Gail	$860,000
Survivorship	$10,000,000
Net Worth W/ Life Insurance	**$43,963,568**

Primary Goals

- Transitioning the farming operations to Dan, while being fair and equitable to Ashley and Brenda
- Minimizing estate settlement costs, publicity, and time in the handling of your estate
- Providing for spouse and/or children in event of death or incapacitation
- Providing for you and your spouse's health & long-term care

Primary Concerns

- Current business structure may result in unwanted liability exposure
- Current estate plan may not be in alignment with your goals and objectives
- It appears there may be some outstanding debt associated with your operations
- Insurance policies may not adequately cover all risks (property/casualty, liability, agribusiness, life, long-term care)

March 22, 2023
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Presented by Jackson Myers
NFM-22879AO

Page highlights

- Our overview of the family and farm's operation, along with a snapshot of assets and cash flow

Discussion points

- Consider the need to establish business entities: commonly one for land and a separate one for operations
- Consider any needs to establish or update estate documents
- Consider the need for life insurance to cover debts, provide equalization of estate or to cover the lives of key employees

Overview

Additional Goals

- Developing a retirement income strategy
- Providing for a favorite charity/church
- Reducing income taxes
- Protecting farm/business from divorce, creditors, or family disputes
- Aligning estate planning documents with goals and objectives
- Developing a plan that maintains harmony among the family, while not fractionalizing the farm
- Paying off debt
- Establishing a gifting strategy that's fair and equitable to all children
- Reviewing non-farm investments and optimizing portfolio for current objectives

Additional Concerns

- Income tax exposure
- The loss of a key employee/contributor may disrupt the continuity of the farm
- Investments may not be allocated in accordance with your risk tolerance
- How to protect your assets from divorce, creditors, undue risk or family disputes

Notes

- Green Farm Management, LLC is a wind farm operation. Don and Gail own 25% of this entity.
- River Run Farms, Inc (S-Corp) owns the operational side of the farm. The owners are Don (48%), Gail (20%), Dan (18%), Jeff (11%) and Tom (3%)

Land As Your Legacy Overview Details

This document will list the asset details sorted by type:

Name	Amount	Type
Checking, Savings, Cash	$1,100,000	Cash
Non-Qualified Funds	$553,298	Non Qualified Accounts
Coop - Preferred Shares	$300,000	Investments
Wind Investment	$150,000	Investments
Valley Custom Investment	$100,000	Investments
Cash Value Life Insurance	$335,000	Cash Valueof Life Insurance
Notes Receivable (Brenda and Adam Jones)	$200,000	Accounts Receivables
Farm Land (5500 acres)	$18,000,000	Farm Land
Trucking LLC	$490,000	Partnership Business Interests
Green Farm Management, LLC	$250,000	Partnership Business Interests
River Run Farms, Inc. (S-Corp)	$7,500,000	Partnership Business Interests
Personal Residence	$695,000	Personal Residence
Boat	$75,000	Personal Property
Rentals (Arizona & Texas)	$1,345,000	Real Estate
Commercial Real Estate	$750,000	Real Estate
Lake House (Minnesota)	$520,000	Real Estate
Vehicles	$170,500	Vehicles

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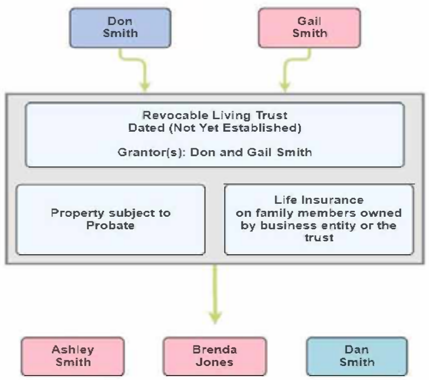
Estate Planning Overview



Current Estate Plan

- Your current estate documents are out of date and not reflecting your current goals and objectives. Consider how this could affect the farm and family members running the farm operations.
- There do not appear to be any specific bequests of farm related assets within your estate documents. Consider how this will affect your spouse, heirs and the future of the farm.

Estate Planning Considerations

- Placing specific bequests of farm related property within your planning documents. Determine how you would like to treat non-actively farming children in the distribution of your estate.
- Granting your beneficiaries rights of refusal or purchase options before certain farm related assets or real estate can be sold to a third party. This may help keep the farm in the family for generations and avoid fractionalization of the farm.
- Establishing long term lease agreements to protect future operators and future land owners from potential disputes.
- Ensure that loved ones and executors know the locations of important documents and have been notified of their role in your estate plan.
- Establishing advanced directives (i.e. health care power of attorney)

Page highlights

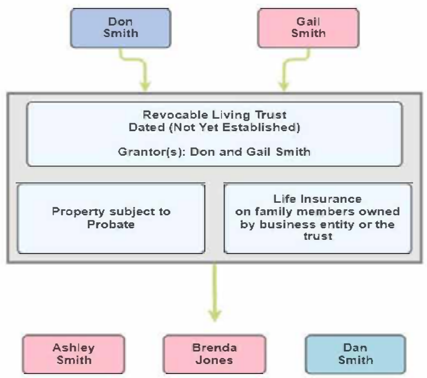
- Provides a summary of the family's current estate documents
- Compares current transition plans with the family's stated goals to identify needed changes to the estate plan

Discussion points

- Review risk of farm fracture given current estate planning documents, and consider any needed changes to preserve both the farm and the owners' intentions for its future

Farm Real Estate

Trust Example



Benefits

- Control farming real estate for generations
- Provide cash to the trust to allow farm operators to acquire or purchase non-active family member's interest in the farm.
- Ability to restrict distributions to beneficiaries, i.e. spendthrift provisions
- Ensure privacy in the settlement of your estate
- Avoid probate costs

Revocable Living Trust Example

- Don and Gail, the grantor(s) control the trust during life and retain access to trust income and principal. The trust owns and controls the farm real estate (or business entity that holds the farm real estate) while Don and Gail are alive. Upon the death of the grantor(s), the successor trustees manage the trust according to the terms of the agreement.
- After the death of the grantor(s), the trust may continue to hold the farm real estate or distribute the real estate to the trust beneficiaries.
- Life insurance on the grantor's can provide additional liquidity to the trust to balance inheritances, or help expand the farm operation.

Important Note: Federal income tax laws are complex and subject to change. This information is based on current interpretations of the law and is not guaranteed. Neither Nationwide, nor its employees, its agents, brokers or registered representatives gives legal or tax advice. You should consult an estate attorney or competent tax professional for answers to specific tax questions as they apply to your situation.

Page highlights

- See how the use of a revocable living trust and life insurance can work together to provide the liquidity at death that may be necessary to ensure the farm can pass successfully to its next generation of owner(s)

Discussion points

- Identify wishes for the transition of both the farm's operation and, if different, the future ownership of all land

Estate Equalization

Don and Gail's Estate

At (client death)

Farm	Remaining Estate	Life Insurance
Passed to the desired party via Estate Planning documents	Divided amongst your heirs in accordance with your estate documents	Life insurance proceeds pass to beneficiaries who are not actively farming to balance inheritances
Dan	Ashley, Brenda and Dan	Ashley and Brenda

Hypothetical Structure To:

- Transition real estate and operations to your actively involved children
- Provide a tax-free benefit to heirs who are not involved in the farm to equalize inheritances
- Avoid fractionalizing the farm

Incorporating Life Insurance

Consider using life insurance to provide an inheritance to beneficiaries who are not actively farming. A life insurance policy can provide a tax-free death benefit to non-active beneficiaries while allowing you to bequeath your farm land and equipment to desired party. Also consider if you would like non-active beneficiaries to receive any of your farm land. If so, rental terms and first rights of refusal should be placed within your estate planning documents and/or operating agreements to allow for desired party to rent or purchase the land from the other beneficiaries.

Page highlights

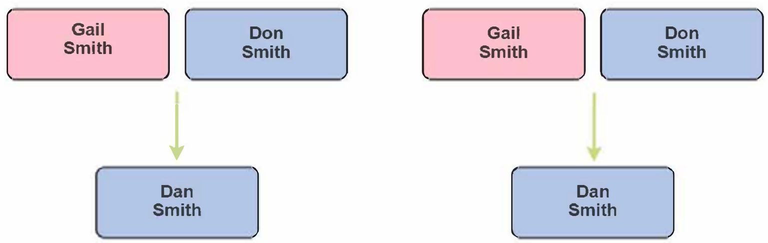
- Presents a strategy to get the farm or ranch business to the individuals who will take over operation; additionally, we show ways to distribute non-farm assets or cash (from life insurance) to beneficiaries who will not play a role in the succession of the farm or ranch
- You can more clearly see how properly designed estate documents can help get the land, equipment and any other farm-related assets to the active children

Discussion points

- Begin discussion of using life insurance as a solution that can help provide an income tax-free death benefit to nonactive heirs

Business Overview

Farm Real Estate | River Run Farms, Inc. (68%)



Smith Family Farms	
Farm Real Estate	$18,000,000
River Run Farms, Inc. (S-Corp) (68% Interest)	$7,500,000

Current Business Structure

- Business Structure: S-Corporation - business is separate and distinct from it's shareholders
- Taxation: Pass-through - income is passed through to owners, not taxed at corporate level. Owners may also be employees and receive wages.
- Governance: An operating agreement has not been reviewed by Nationwide. State law dictates governance if formal agreement is not in place.
- Transition Plan: A buy-sell agreement has not been reviewed by Nationwide. Refer to terms and triggers below when drafting agreement

Business Planning Goals

- Reduce Income Taxes
- Protect farm/ business from divorce, creditors, or family disputes
- Ensure legal agreements align with are in place and align with your goals and objectives
- Review employee benefits
- Retain and reward key employees

Business Planning Considerations

- Review alternative business structures
- Business transition options: traditional sale, installment sale, gifting, death-buyout, equity compensation, deferred sales trust
- Establishing a buy-sell agreement to formalize the transfer of your business
- Key person insurance
- Qualified retirement plan to reduce taxable income and provide for future income needs

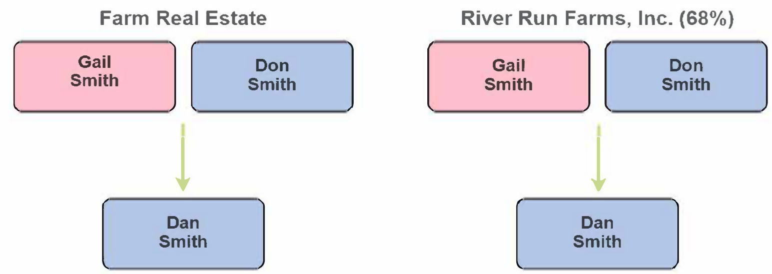
Page highlights

- Identifies the current business structure of the operation and both the current and future key decision-makers

Discussion points

- Consider if the current business structure is best to meet stated business planning goals
- Also begin discussing a tool called a **buy/sell agreement** and how it can be used as an automatic trigger to transition operations upon such events as retirement, disability and/or death

Installment Sale



Smith Family Farms	
Farm Real Estate	$18,000,000
River Run Farms, Inc. (S-Corp) (68% Interest)	$7,500,000

Benefits

- Transfer ownership and decision making to successor(s) during life
- Reduce seller's capital gains tax exposure
- Spread capital gains tax over the term of the sale
- Provide greater flexibility in attaining ownership to the buyer

Installment Sale Consideration

- Current owner(s) may consider selling their interest in the farm to desired party using an installment contract. The terms of the sale are negotiated by the buyer and seller to comply with IRC §453. At the time of the sale, IRC §1001 will specify how the amount of realized gains will be calculated.
- Don and Gail could consider leaving the farm related assets to Dan outright as an alternative. The buyer and seller may consider having cross-owned life insurance policies on each other's lives to purchase the other party's interest from their estate should one of them pass away prior to the completion of the sale.

Page highlights

- Review how an installment sale could be used to transition operations during the life of the current owner(s)

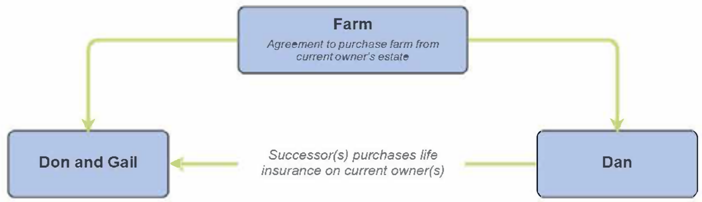
Discussion points

- This method for sale could accomplish multiple objectives:
  - For the current owners, it may provide a source of retirement income or lessen capital gains taxes (compared to a lump-sum sale)
  - For the new ownership, this method can be easier to finance, given that it is over many years

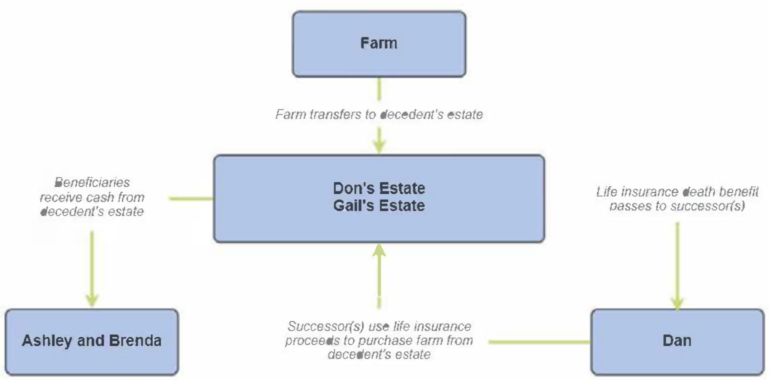
Buyout Example

Buyout Example – Steps Taken During Life

Consider establishing a buy-sell agreement with your successor(s) to facilitate the transition of the farm at key events. Buy-sell may be a private agreement between involved parties or may be established within business entity's operating agreement



Buyout Example – Steps Taken At Death



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Presented by Jackson Myers
NFM-22879AO

Page highlights

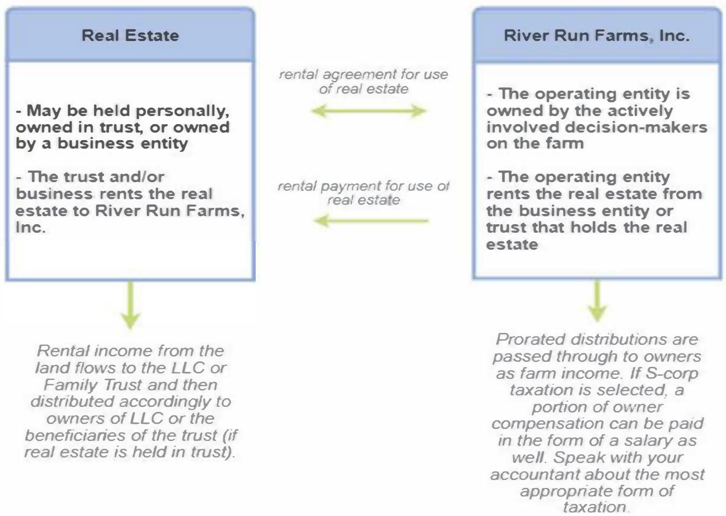
- See how a buyout could be implemented either before or after the passing of current owner(s)

Discussion points

- How and when do current owners want to receive compensation?
- Is the next generation ready to take control prior to the passing of the senior generation?

Business Structure Example

Real estate may remain personally owned, held in trust, or owned in a separate business entity. If a business entity is established, an operating agreement should be executed by the members and filed with the state. Work with an attorney to ensure your governing documents are in alignment with your goals and objectives.



Benefits
• Allow real estate and farm operations to be transferred separately
• Ensure active members of the farm retain ownership and decision-making responsibilities for operation
• Allow non-active family members to receive passive income without decision-making
• Improve income tax treatment and reduce liability exposure

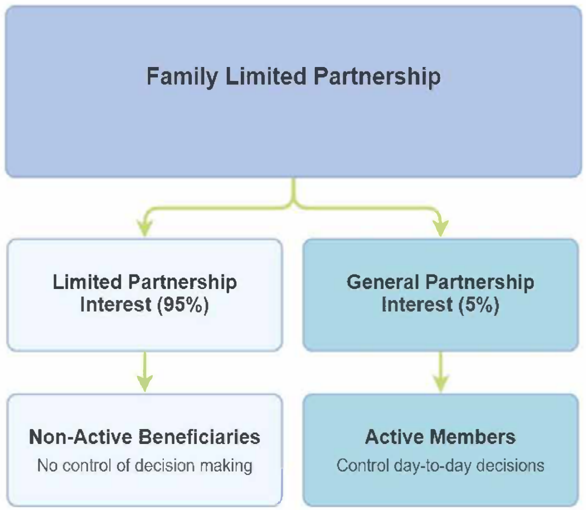
Page highlights

- Review the current structure of the business entity (sole proprietorship, partnership, limited liability corporation (LLC), S corporation, C corporation, etc.)

Discussion points

- Does the business entity have a mix of active and nonactive members? How is each party compensated? Which members seek control?
- Is the business capable of being continued in the event an owner becomes disabled, retires or passes away?

Family Limited Partnership



Benefits

- Reduce property that is included in your estate for estate tax calculations
- Keep control of the operations in the hands of those who are currently in control
- Separate liability from individuals (If an Irrevocable Trust or Business Entity is used as a partner)
- Allow non-farming family ownership of business without control

Considerations

- Determine the impact of transferring business interest during life vs. at death
- The impact of changing existing business structure
- Consider how transfer of interest proposed structure will be valued for estate purposes (discounts for lack of marketability and lack of control)

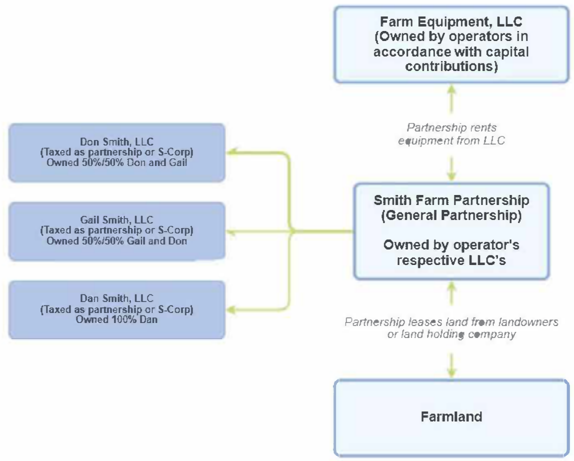
Page highlights

- Consider a family limited partnership (FLP) for your operation when you have a mix of active and nonactive members that may pool together financial support, but don't all share leadership decisions; an FLP may provide opportunities to maintain control of your operation while minimizing estate taxes upon death

Discussion points

- Consult with your planning team to identify whether an FLP can help reduce the value of your estate while it transfers ownership to your children

FSA Business Structure



Goals
• Take advantage of FSA payments and crop insurance
• Control farming real estate for generations
• Keep control of the operations in the hands of those actually doing the work
• Provide opportunity for expansion
• Separate liability from individuals
• Other:

Page highlights

- We provide an example of how to structure your farm or ranch to help receive the maximum amount of Farm Service Agency (FSA) payments

Discussion points

- Review FSA payment eligibility guidelines and whether changes to your business structure could benefit your operation

Key Person Indemnification

Employer: River Run Farms, Inc.

Key Employee(s): Dan Smith

Step 1

Option 1

- Owner(s) may consider purchasing life insurance on key employee(s) in an amount equal to the estimated lost revenue and additional expenses associated with the key person's premature death.

Option 2

- Business entity purchases and owns the policy on key person's life.
- Premium payments of the life insurance policy/policies are not deductible to the business under IRC § 264(a)
- The business has access to the cash values that grow within the policy tax free.

Step 2

- If key person were to prematurely pass away, owner/beneficiary receives income tax-free death proceeds. These funds could be used to fund the cost of finding, hiring and training a replacement for the key person.

Step 3

- If key person were to live to retirement, this policy may be given to them to help supplement their retirement income. This policy may also be held by key person to provide death benefit to their family if desired.

Many factors contribute to the value a key employee provides to a farm/business. Common valuation methods include:

- Cost of replacement
- Contribution of profits
- Multiple of compensation

Page highlights

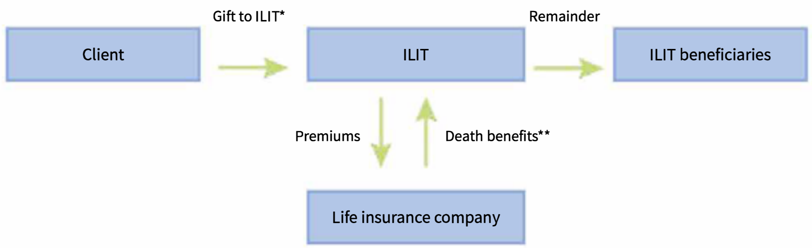
- Identifies a nonfamily employee integral to your operation and protection measures you should consider; if something were to happen to this employee, consider steps you'd take to hire and train a replacement

Discussion points

- If your key employee is loyal and unlikely to quit, your first step should be to consider a key person life insurance policy to soften any financial impacts from a sudden death
- Cash value life insurance could also be considered a fringe benefit that could be gifted upon retirement and used as a source of tax-free retirement income

Irrevocable Life Insurance Trust

How it works



Overview

- **The Concept**: An irrevocable life insurance trust (or ILIT) is a form of irrevocable trust that is typically used to purchase life insurance while keeping the death proceeds outside of the insured grantor's gross estate.
- **Benefits:** This technique enables the grantor to leverage their annual gift tax exclusion and/or lifetime gift tax applicable exclusion through the purchase of life insurance without causing the death proceeds to be included in the grantor's gross estate. Furthermore, the death benefits proceeds may be used for estate liquidity, estate equalization, wealth replacement or other life insurance needs while being creditor protected.
- **Tax Considerations:**
  - Crucial to keeping the death proceeds out of the grantor's estate is that the grantor not retain any right to modify, revoke or terminate the trust or have any incidents of ownership over the life insurance policy.
  - In addition, the grantor must neither be a trustee of the trust nor a beneficiary of the trust; this also means that the trust property must not be able to be used to meet the grantor's legal obligations.
  - Death benefit proceeds are paid to the trust free of income and estate taxes.

Qualified Retirement Plan

2020 Maximum Contribution – 401(k), Profit Sharing & Cash Balance Plans

AGE	401(K) ONLY	401(K) WITH PROFIT SHARING	CASH BALANCE	TOTAL
65	$26,000	$63,500	$277,000	$340,500
60	$26,000	$63,500	$266,000	$329,500
55	$26,000	$63,500	$207,000	$270,500
50	$26,000	$63,500	$162,000	$225,500
45	$19,500	$57,000	$126,000	$183,000
40	$19,500	$57,000	$98,000	$155,000
35	$19,500	$57,000	$77,000	$134,000

Considerations
• Implementing a 401(k) profit sharing plan paired with a cash balance plan
• Benefits of utilizing a cross-tested plan to maximize deferral amounts to plan participants
• Utilizing safe harbors within the plan to allow for maximum deferral limits to be met
• Tax benefits of utilizing a profit sharing plan
• Required annual contribution amounts to plan participants and if that amount is feasible and desired
• Plan participation for full-time employees and satisfaction requirements set by IRS

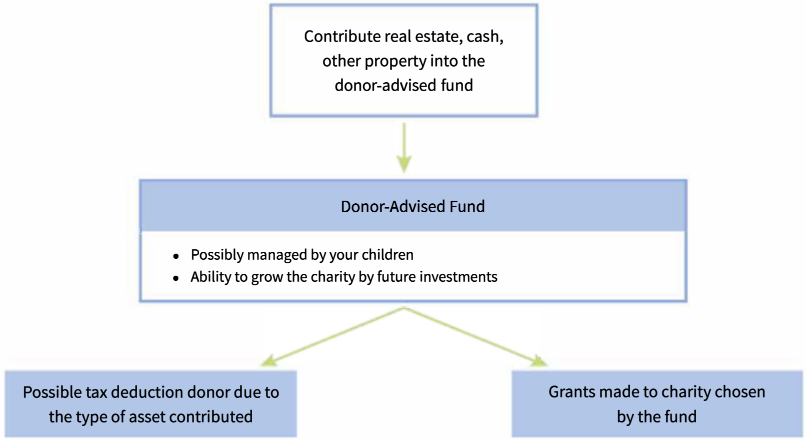
Page highlights

- With a tax-advantaged retirement plan, you can:
  - Help reduce the taxable income of your operation
  - Provide a source of future income independent from your farm or ranch
  - Provide a vehicle to retain and reward long-term employees

Discussion points

- Review options with your financial professional and your accountant to find a tax-advantaged retirement plan aligned to your operation and objectives

Donor – Advised Fund



Benefits

- Control farming real estate for generations
- Keep control of the operations in the hands of those who are currently in control
- Provide opportunity for expansion
- Allow non-farming family ownership of farm ground
- Reduce property that is included in your estate for estate tax calculations

Considerations

- Loss of ownership and control of land
- Loss of current business structure
- Determine the nature of your desired charity
- Ownership/management of the donor-advised fund
- Will income and tax breaks from the donor advised fund be sufficient to replace your current income situation?

Page highlights

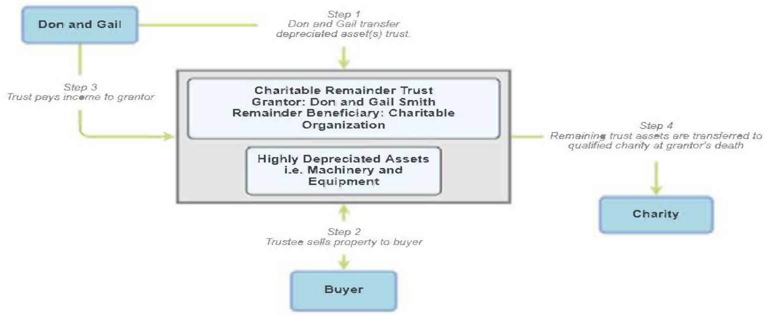
- Review how a donor-advised fund operates and how it can help the farm owner fulfill a charitable intent; this strategy can provide an up-front tax deduction and may provide the ability to direct distributions and investment of fund assets
- Note that a donor-advised fund is a separately identified fund or account that is maintained and operated by a section 501(c)(3) organization, which is called a sponsoring organization (such as a public charity)
- Once the donor makes the contribution, the fund has legal control over it; the donor, or donor's representative, retains advisory privileges with respect to the distribution of funds and the investment of assets in the account

Discussion points

- Will income and tax breaks from the donor-advised fund be sufficient to replace your current income situation?
- Who will manage the donor-advised fund?

Charitable Remainder Trust

A charitable remainder trust allows you to create an income stream from your highly appreciated assets, while eliminating capital gains and providing a remainder benefit to charity. Work with your attorney to determine if, and what kind, of charitable arrangement may best suit your needs.



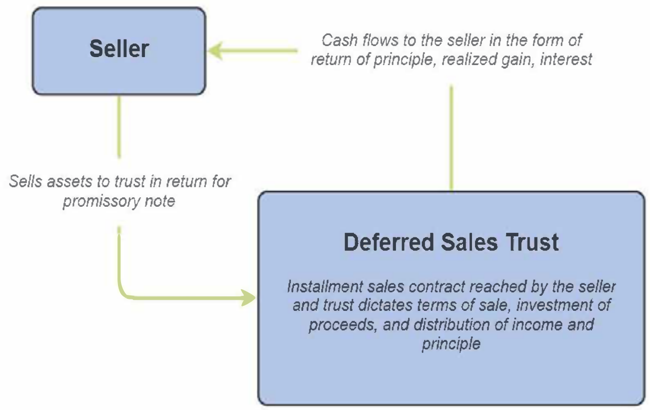
Page highlights

- A charitable remainder trust (CRT) is another tool to consider that can accomplish charitable goals, while providing tax benefits during the farmer's lifetime; the senior farmer transfers highly appreciated property (that, during one's lifetime, may otherwise require the payment of capital gains taxes upon its sale) to the CRT; the donor retains a right to a level of income, but because trust assets must be distributed to a qualified charity at death, an immediate income tax deduction is allowed

Discussion points

- How would income from the CRT be used?
- Could additional wealth transfer strategies be used to provide tax-free benefits for children or beneficiaries?

Deferred Sales Trust



Cash Flow Details

- A deferred sales trust is established with a third-party to facilitate the sale and manage the proceeds. The grantor sells assets to the trust on an installment contract and the trust sells those assets to a buyer. Proceeds from the sale may be reinvested inside the trust and distributed to the grantor at her discretion. Distributions are taxed in accordance with IRC 453. The grantor may consider taking interest only distributions from the trust to defer capital gains taxation even further.
- Income from installment contract can be in the form of interest only, if desired, to not trigger capital gains tax exposure
- Interest payments at 4% on $5,000,000 would result in a payment to the grantor of a total of $200,000. **This figure does not account for other taxes that may apply and assumes the trust is capable of producing an interest rate of 4%. Discuss with your tax and legal professionals how this strategy fits into your planning objectives.**

Page highlights

- An additional tool to facilitate the sale of highly appreciated property is a deferred sales trust; this tool may help to minimize capital gains taxes for the seller
- Reduces potential tax burdens and allows more of your money to go to work for you

Discussion points

- How can trust income be used to accomplish your overall financial goals?
- How can taxes on trust income be minimized?
- What new investments can be considered, given this new source of cash flow?

Qualified Opportunity Zone

Phase 1

Transfer gain into opportunity fund, deferring capital gains tax

↓

Through December 31, 2022

Tax on original capital gain is reduced by 10% permanently

↓

April 15, 2027

Deferred capital gains (less 10% reduction) tax will be payable

↓

Funds Held For 10 Years or More

Gain on original investment in opportunity fund are now eliminated

Qualified Opportunity Zone (IRC 1400z) Example

- Assuming a basis of $0 and $2,000,000 of gain, deferred capital gains exposure could be as high as 20%, or $400,000.
- At year 7 capital gains tax exposure would be greatly reduced by 10%, for a new deferred amount of $360,000.

Note: Consult with your local accountant to determine your capital gains for any sale. Consult with your local accountant as to the rate at which your capital gains will be taxed. The illustrated 20% is currently the highest rate for capital gains.

Page highlights

- Introduced as part of the 2017 Tax Cuts and Jobs Act, this strategy may allow tax defferal of capital gains taxes through 2026 (or until your taxes are due for 2026 on April 15, 2027)
- Those who qualify may receive a potential 15% reduction in overall capital gain tax exposure
- Lastly, this strategy allows for the elimination of capital gains tax on growth if held in the qualified opportunity fund for over 10 years

Discussion points

- Consult with a local accountant to identify whether this strategy can help alleviate capital gains taxes on appreciated property

Farm and Family Checklist

Estate Planning

Implementation/Updating of Estate Planning Documents Addressed by Family and Dean Winchester	Date to Finish
• Review/establish estate planning documents to direct the disposition of your estate (last will and testament, revocable living trust).	
• Review/establish advance directives (powers of attorney, living will, health care directives).	
• Your current estate plan may not be in alignment with your current goals and objectives.	
• Review and discuss any specific gifts/bequest you have for your beneficiaries	
• Consider what would be fair to leave to your beneficiaries. Determine what assets you would like to leave to them to ensure they are treated fairly during the transition planning process. Ensure they are properly titled due to any issues with sudden wealth or other potential issues	
• Family Meetings to discuss the transition and distribution plan with all involved parties.	

Trust Consideration Addressed by Family and Dean Winchester	Date to Finish
• Be sure that a trust owns the property that would be subject to probate otherwise.	
• Be sure to note any provisions for your children within your estate documents regarding retaining the farm land for future beneficiaries (ensure you meet the terms as defined under 2032A, if you are able to qualify).	
• Consider having a trust control the farm ground for multiple generations, if so desired.	
• Consider what provisions should be included in your trust language (i.e. buyout provisions, purchase options, rental agreements, rights of refusal, farm continuation directives).	
• Discuss with your attorney the use of provisions within your trust and if any would be applicable to note within your documents.	

Gifting Addressed by Family, Linda Peterson and Jackson Myers	Date to Finish
• Consider the use of a systematic gifting program to start transitioning your farm related assets down to your children. Consider how this should be structured and how this could affect FSA payment eligibility you may be eligible for or are currently receiving.	

Page highlights

- There are likely many discussions to be had between the family, the Land As Your Legacy® advisor, and the family's tax and legal professionals
- Use this checklist to help prioritize discussions and to identify which specialists can best help with each topic

Discussion points

- Which matters need to be addressed soonest?
- What risk management gaps have been uncovered?
- Is the family's business structured appropriately to meet stated goals and objectives?

Farm and Family Checklist

Special Use Valuation Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	Date to Finish
• Discuss with your accountant and attorney IRC §2032A, also known as Special Use Valuation. If applicable, this may allow for your farm land to be valued based upon its production capacity rather than the current high fair market value rates for your area. Consider the qualifications set forth by IRC §2032A. Consider the impact your children's decisions in the years following your death may have on IRC §2032A.	

ILIT Consideration Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	Date to Finish
• Discuss with your attorney the use of a MTAT (Multiple Tax Advantaged Trust: i.e., Irrevocable Life Insurance Trust) funded with a life insurance policy to provide liquidity at death when needed for anticipated Federal and State estate taxes and estate clearance costs for accuracy and to ensure intended impact is maximized. It may be appropriate to acquire a new life policy or to gift existing policy into the MTAT to get the life insurance out of your taxable estate.	
• Consult with your attorney and financial advisor on the advisability of the use of a LTC rider within the ILIT. This may provide funds for the event on a LTC need.	
• Consult with your attorney on the stipulations of placing your current life insurance products into an ILIT, if applicable. Due to the nature of ILIT's there may be a look back period if current policies are transferred over to new trust ownership. The transition of these current or newly established life insurance policies to the ILIT could help to reduce your gross estate value for federal estate tax calculation purposes by the value of the policies. Consider how this could impact your goals and objectives for your legacy.	

Business and Succession Planning

Installment Sale Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	Date to Finish
• Consider the use of an installment sale as a way to structure your income when transitioning assets. Discuss with your accountant how you may be able to spread out the sale of your assets, for income tax planning purposes, using this strategy.	

Deeding Addressed by Family and Dean Winchester	Date to Finish
• Consider placing (deeding) your residence separate from the business entity (determine the acreage you wish to include with the property, if you have not already done so).	

Farm and Family Checklist

Key Person Considerations Addressed by Family and Jackson Myers	**Date to Finish**
• Consider how the loss of a key employee may disrupt the continuity of the business. Consider if life insurance and/or disability insurance on key employee(s) could provide funds to replace lost production that may be incurred by their untimely death or disability.	
• Consider possible incentives to encourage key employees to continue working on the farm.	

Lease Review Addressed by Family and Dean Winchester	**Date to Finish**
• Consider how lease arrangements may be established now or at your passing to better control those arrangements longer term.	

Buy-sell Agreement Addressed by Family and Dean Winchester	**Date to Finish**
• Consider establishing a formal buy-sell agreement with successor for the operations. Consider the use of life insurance as a way to fund the buy-sell agreement. Discuss with your attorney any additional provisions that may be applicable to place within the operating agreements such as installment sale provisions and how other key events will be handled (death, disability, incapacitation, and retirement).	
• Discuss funding vehicles for the buy-sell agreements (Installment sale, life insurance).	

Life Insurance LLC Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	**Date to Finish**
• Consider creating a business entity (LILLC) to hold life insurance policies for the multiple buy/sells between the owners of the entities.	
• Consult with your co-owners of the various business to determine which businesses you would like the LILLC to facilitate the funded buyouts.	
• Consult with your trusted advisor and attorney your states laws and regulations concerning LILLCs.	
• Consider if you could use your LILLC for other business strategies, including holding key man policy insurance.	

Family Limited Partnership Consideration Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	**Date to Finish**
• Consider utilizing a Family Limited Partnership or FLLC to transition ownership to your children today, while being able to control the operations.	
• Consult with your attorney and trusted accountant the amount of discounting that may be available for estate tax calculations.	

Farm and Family Checklist

Family Limited Partnership Consideration Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	**Date to Finish**
• Consult with your attorney and trusted accountant regarding the basis and tax impact of transitioning ownership to our children today, instead of at death.	

Risk Management

Long-Term Care Addressed by Family and Jackson Myers	**Date to Finish**
• Discuss health and long-term care insurance with your advisor. Formulate a plan that addresses your health insurance options throughout your lifetime and how elder care expenses that are not covered by Medicare will be paid for in retirement.	
• Work with your advisor to determine if you are eligible for long-term care insurance and what plans may best suit your individual needs. Different plans may have different features such as how claims are paid (reimbursement vs. indemnity vs. cash indemnity), premium payment options and durations, access to policy cash, length of benefit payment period, etc.	

Life Insurance Considerations Addressed by Family and Jackson Myers	**Date to Finish**
• Review your current life insurance policies and determine if your current needs are being fulfilled.	
• If specific family members are named as beneficiaries of your life policies, consider changing the named beneficiary to the trust or to a restrictive beneficiary arrangement to better control the distribution of the death and avoid the possible misuse of a lump-sum payment.	
• Consider if it would be applicable to pay off any debt at your passing with life insurance.	
• Determine the effect that leaving your current employers will have on any benefits you are currently receiving (health, life, disability, etc.)	

P & C Review Addressed by Family	**Date to Finish**
• Review of your current property and casualty insurance coverage.	

Financial Independence

Retirement Account Considerations Addressed by Family and Jackson Myers	Date to Finish
• Work with your advisor to determine your retirement income needs. Consider which needs are essential and which are discretionary and how those needs may change over time.	
• Consider how your income needs in retirement may differ from your income needs while you are working. Consider factors such as health care costs, taxes, savings and travel when budgeting.	
• Evaluate your current retirement income sources and determine if they will adequately cover your estimated needs.	
• Consider structuring guaranteed income (such as an annuity contract) to cover essential expenses and determine how you will cover any potential shortfalls.	
• Determine if you are saving enough money to fund your retirement income needs.	
• Determine the effect that leaving your current employers will have on any benefits you are currently receiving (health, life, disability, etc.).	
• Review your social security and Medicare eligibility – consider what options are available to you and how they may fit into your retirement landscape.	

Qualified Opportunity Zone Addressed by Family, Dean Winchester, Linda Peterson and Jackson Myers	Date to Finish
• Due to the amount of consistent capital gains, consult with your attorney and trusted advisor about participating in investments using Qualified Opportunity Zones (QOZ) under IRC Section 1400z.	

Solutions to Consider

Solutions To Consider
• To shield life insurance policies from increasing federal tax liability, consider creating an ILIT (Irrevocable Life Insurance Trust) and transferring existing life insurance policy ownership to the ILIT.
• Consider survivorship life insurance with an optional long-term care (LTC) rider to help preserve assets in the event of LTC needs. If LTC funding is not needed, this policy could be used to help balance inheritances for Ashley and Brenda.
• Consider options for passing interest in farm operations to Dan. a. Gift interest over your lifetime b. If utilizing installment sale, fund a term life insurance policy on Dan to protect Don and Gail in the case Dan passes before completion of the installment sale. c. To complete ownership transfer upon death, Dan would purchase a second to die life insurance policy. As beneficiary, Dan would use funds to purchase remaining ownership interest at this time.
• Consider formalizing buy-sell agreements with Jeff and Tom to enable buyout of the their ownership interest.
• Consider key person coverage on Dan as well as any other key employees. This policy can help with potential loss in revenue as well as help with the initial funding needed to hire a replacement.
• Consider funding retirement accounts, utilizing a SEP, SIMPLE or other 401k options.
• Consider a donor-advised fund and/or charitable arrangement to fulfill charitable desires as well as achieve potential tax benefits. These accounts could be invested in mutual funds, annuities, etc.

Important Notice

This report is intended to serve as a basis for further discussion with your other professional advisors. Although great effort has been taken to provide accurate numbers and explanations, the information in this report should not be relied upon for preparing tax returns or making investment decisions.

Assumed rates of return are not in any way to be taken as guaranteed projections of actual returns from any recommended investment opportunity. The actual application of some of these concepts may be the practice of law and is the proper responsibility of your attorney.

Disclosure Notice

Nationwide's Land As Your Legacy® program is an agricultural succession planning thought-leadership program developed by Nationwide Life Insurance Company (Nationwide). The program focuses on helping agribusiness owners consider and build a transition plan for their land and their business assets that helps ensure they're successfully passed on to their intended successors.

Nationwide created the Land As Your Legacy program and markets it through third parties that may include Farm Bureaus, lending institutions, registered broker-dealers or insurance agencies and their agents. Nationwide also provides, underwrites and issues insurance and financial products that may be purchased by you through your financial professional for a variety of personal financial reasons, including but not limited to use as funding vehicles to support an agribusiness transition plan. Nationwide receives compensation only on and in the event of the sale of Nationwide insurance and financial products and does not receive any other compensation related to the Land As Your Legacy program.

Nationwide may utilize software and other tools to illustrate a transition plan, which is designed to review your individual or family's financial needs and goals for your business, as provided by you. The transition plan document is not a financial plan, and it does not attempt to suggest solutions or planning options to you. Nationwide is not a registered broker-dealer or investment adviser, and thus does not and will not offer financial planning or investment advice to you related to the program.

Firms and the insurance agents and/or financial representatives associated with firms may offer varying types of services to you, either solely or in conjunction with other professionals chosen by you to meet your tax and estate planning objectives. The services offered by the firms and their associates or employees will vary depending on whether the firm is registered as a broker-dealer, and/or investment adviser, and whether the firm is licensed as an insurance agency. Thus, the services offered to you by firms may include but not be limited to insurance sales and services, recommendations of securities, investment advice, succession and estate planning services, and/or additional financial planning services. In providing such services, firms may choose to use your personalized transition plan in order to begin discussions with you on the nature of your financial needs and planning interests.

Only your chosen financial professional, collaborating with your chosen tax and/or legal professionals, can provide financial planning or other services. You are urged to ensure that your chosen tax, legal and financial professionals are all involved in assisting you with building a plan to achieve your goals.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
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Have additional questions about Land As Your Legacy?

Please contact your Land As Your Legacy advisor or visit us at:

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