

UNITED OF OMAHA LIFE INSURANCE COMPANY
COMPANION LIFE INSURANCE COMPANY

MUTUAL of OMAHA AFFILIATES

Estate Planning Solutions



PRESERVING
YOUR LEGACY



Estate Planning
Table of Contents

Estate Settlement Costs –
Not Just Taxes..... 2

Your Will – The Key to Your
Estate Planning Success 3

Trusts – A Flexible Tool That Can Help You..... 4

Additional Reasons to Plan..... 4

Reducing the Size of Your Estate 5

Estate Costs – Learn Your Options..... 5

Life Insurance Advantages..... 7

Getting Started 8

Estate Analysis Factfinder.....9-13

Estate planning is the most important step you can take to ensure your legacy passes intact to your heirs.

A professionally designed estate plan allows you to employ various techniques that can minimize estate settlement costs and satisfy your objectives by:

- *Reducing estate or inheritance tax liability*
- *Conserving principal*
- *Avoiding costly, frustrating settlement delays*
- *Reducing probate and administrative costs*
- *Minimizing income taxes*

This brochure explains several estate planning solutions that can help you preserve your legacy and discusses the keys to an effective estate plan.



Estate Settlement Costs – Not Just Taxes

All estates, large and small, can expect to pay some expenses before assets are distributed to the heirs.

Don't let settlement costs negatively impact the plans for your estate.

THE CATEGORIES OF THESE EXPENSES INCLUDE:

Final Expenses • Funeral • Medical • Long-Term Care
Debts • Credit Card • Mortgage • Business
Advisor's Fees • Attorney's • Accountant's • Appraiser's
Maintenance Costs
Taxes • Income • Estate • Inheritance

If the level of these costs exceeds the value of liquid assets in the estate, non-liquid assets may be sold to raise the needed cash. Those assets, some of which may provide income for the family or that have sentimental value, would not then be available for other family purposes.



Your Will – The First Key to Your Estate Planning Success

If you die without a will, the state decides how your property is distributed, which can be a troublesome and potentially costly situation for your heirs. Preparing a will is a vital step in your estate plan because it ensures your personal wishes are carried out.

GENERALLY A WILL MAY PROVIDE FOR:

- Payment of debt and expenses
- Distribution of your property
- Appointment of a guardian for your minor child
- A gift to charity
- Continuation of a business
- Appointment of a personal representative

SEVERAL TYPES OF WILLS

Simple Will

The most common type of will, a simple will, typically is used to leave everything to the surviving spouse. This arrangement, however, may not take advantage of tax savings strategies under current laws.

Will With Testamentary Trust

A testamentary trust is used to delay the distribution of assets to minor children or other family members until they are more capable of managing those assets. Many times, the provisions of this trust, which goes into effect when the trust's owner dies, are included in the will. Assets pass to this trust through the provisions of the will. Proper use of this trust will ensure that your assets go to your heirs when the heirs should receive them.

Trusts – A Flexible Tool That Can Help You

A trust can be one of the most flexible tools available for the estate owner.

TRUSTS CAN BE ESTABLISHED:

- For tax reasons
- For asset management reasons
- For charitable purposes
- For asset protection
- To delay distributions until a future time or event
- For privacy reasons

Trusts can be established:

- During lifetime
- Upon death


Trusts can be:

- Irrevocable (not changeable)
- Revocable (changeable)

Additional Reasons to Plan

For certain estate owners, the plan may address these additional concerns:

- Passing the family business intact to the next generation
- Providing an equitable inheritance to all children when one large asset may not be easily divided
- Payment of income tax due on certain qualified retirement plan assets when received by the heirs
- Payment of expenses incurred when the estate owner is not able to care for himself or herself. Payment of these expenses acts to reduce the amount of inheritance for surviving family members



Establish an estate plan to help ensure that your legacy passes intact to your heirs.



Reducing the Size of Your Estate

LIFETIME GIFTS

Giving away assets during your lifetime is a great strategy for reducing the size of your gross estate. The annual exclusion permits gifts up to \$14,000 per recipient, with no gift tax. This amount can be doubled to \$28,000 if the spouse also makes a gift.

Additionally, you may be able to structure your gifts in a way that further reduces your estate or gift tax liability. We can work with you and your other advisors to help determine whether any of these devices are right for you.

CHARITABLE GIFTS

Charitable giving can be a powerful estate planning tool. Gifts to charities may provide not only estate tax savings, but income and gift tax savings as well.

Estate Costs – Learn Your Options

Having a thorough estate plan doesn't mean you won't have settlement costs. If you need to pay estate costs, here are some options.

USE CASH

While cash can be used, it's unlikely there will be sufficient cash available when needed. Generally it is impractical to keep large amounts of cash on hand.

LIQUIDATE ASSETS

Assets may have to be liquidated below their fair market value.

BORROW MONEY

Borrowing also presents certain drawbacks. For example, will there be a willing lender available when the money is needed? Also, the loan will have to be repaid with interest.

PAY IN INSTALLMENTS

If an estate contains business or farm assets, those assets may qualify for deferred installment payments under Internal Revenue Code (IRC) Section 6166. However, there are certain pitfalls when selecting this method of payment. The Internal Revenue Service can place a lien on the business and a missed payment can cause the entire deferred estate tax, plus interest, to become due immediately.





Through proper planning and use of life insurance, you can minimize estate settlement costs, provide funds to meet costs and help conserve your estate for your heirs.

Life Insurance Advantages

- Premium payments can be spread out over a period of years
- Heirs don't have the burden of paying estate settlement costs
- Proceeds are immediately available when taxes are due
- Proceeds are free of federal income tax¹
- Generally, insurance policy proceeds are free of federal estate tax if a third party or an irrevocable life insurance trust owns the policy²
- Generally, proceeds are not subject to probate expenses

Through proper planning and use of life insurance, you can minimize estate settlement costs, provide funds to meet costs and help conserve your estate for your heirs.

Use Life Insurance

Life insurance allows you to pay now, and may pay all estate-settlement costs, including federal estate taxes, usually for just pennies on the dollar. By placing ownership of your insurance policy with a third party or in an irrevocable life insurance trust, you can exclude the policy from your estate, thereby avoiding taxes on policy proceeds.

¹Death benefit proceeds from a life insurance policy are generally not included in the gross income of the taxpayer/beneficiary (Internal Revenue Code Section 101(a)(1)). There are certain exceptions to this general rule including policies that were transferred for valuable consideration (Code Section 101 (a)(2)). This information should not be construed as tax or legal advice. Consult with your tax and legal professional for details and guidelines specific to your situation.

²Internal Revenue Code Section 2042(2)



Getting Started

YOU CAN GET THINGS GOING BY PROVIDING US INFORMATION ABOUT:

- Your goals
- Your will, trust, etc.
- Your assets and outstanding liabilities

WE CAN HELP YOU:

- Estimate the amount of your estate settlement costs for discussion with your legal and financial advisor
- Determine if your goals are being met under your current plan
- Explore alternatives in order to meet your goals
- Gain consensus with legal, tax and financial advisors regarding revisions to your existing plan
- Coordinate implementation of your plan and establish funding for estate settlement costs
- Monitor your plan for changes related to tax laws and your goals

A well-trained, professional insurance agent* who knows the benefits and uses of all different types of life insurance policies will be happy to analyze your situation without cost or obligation. The attached factfinder will allow your agent* to build a professional estate plan.

Always Consult Your Legal and Tax Advisor Regarding Your Situation.

* in OR and WA: producer



Mutual of Omaha

Estate Analysis Factfinder

DATE _____ **AGENT*** _____ **ADDRESS** _____

CLIENT

Name _____ Sex _____
Address _____ City _____
State _____ Phone _____
Date of Birth _____ Age _____
Email _____

Tax Rates

Pre-retirement _____
Post-retirement _____
Employer _____
Occupation _____
Estimated Final Expenses _____

SPOUSE

Name _____ Sex _____
Address _____ City _____
State _____ Phone _____
Date of Birth _____ Age _____
Email _____

Tax Rates

Pre-retirement _____
Post-retirement _____
Employer _____
Occupation _____
Estimated Final Expenses _____

CHILDREN'S NAMES

AGE

MARITAL STATUS

SITUATION (Are children from a prior marriage, adopted, etc.? Also list special circumstances.)

CHILDREN'S NAMES	AGE	MARITAL STATUS	SITUATION
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Income

	CLIENT	SPOUSE
Annual Income	\$ _____	\$ _____
Growth Rate	_____ %	_____ %
Percentage of Annual Income Saved	_____ %	_____ %
Number of Years Expected to Receive Income	_____	_____
Annual Expenditures	_____	_____

* in OR and WA: producer

Record of Assets

CLIENT	OWNER	MARKET VALUE	LIABILITY	GROWTH RATE	BASIS
Residence _____	_____	\$ _____	\$ _____	_____	_____
Real Estate _____	_____	\$ _____	\$ _____	_____	_____
Securities _____	_____	\$ _____	\$ _____	_____	_____
Cash _____	_____	\$ _____	\$ _____	_____	_____
Automobile _____	_____	\$ _____	\$ _____	_____	_____
Household Goods _____	_____	\$ _____	\$ _____	_____	_____
Personal Property _____	_____	\$ _____	\$ _____	_____	_____
Business Interest _____	_____	\$ _____	\$ _____	_____	_____

Percentage of Business Owned _____

Type of Business Structure _____

(e.g., partnership, S-corp, C-corp, LLC, sole proprietor)

Has business been valued within the last two years? _____

ITEM	OWNER	MARKET VALUE	LIABILITY	GROWTH RATE	BASIS
Future Inheritance _____	_____	\$ _____	\$ _____	_____	_____
Other _____	_____	\$ _____	\$ _____	_____	_____
Other _____	_____	\$ _____	\$ _____	_____	_____
Other _____	_____	\$ _____	\$ _____	_____	_____

The Value of Your Farming or Ranching Business

Use this schedule to list the value of assets comprising the farm or ranching operation of your client. Do not enter figures here that already have been entered in your client's record of assets section.

ITEM	OWNER	MARKET VALUE	LIABILITY	GROWTH RATE	BASIS
Real Estate _____	_____	\$ _____	\$ _____	_____	_____
Machinery _____	_____	\$ _____	\$ _____	_____	_____
Livestock _____	_____	\$ _____	\$ _____	_____	_____
Machinery _____	_____	\$ _____	\$ _____	_____	_____
Total Agribusiness Assets _____	_____	\$ _____	\$ _____	_____	_____

(indicate percentage owned)

Owner: J=Joint with spouse, H=Husband, W=Wife, C=Community Property

Community Property States: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin



Mutual of Omaha

Retirement Plans

Types include: pension or profit-sharing plans, including 401(k), HR10 plans, SEP plans, tax-sheltered annuities, individual retirement plans and deferred compensation programs.

PLAN TYPE	PARTICIPANT	CURRENT VALUE	BENEFICIARY	YEARLY CONTRIBUTION	GROWTH RATE
_____	_____	\$ _____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____

Existing Insurance

INSURED	OWNER	BENEFICIARY	ISSUING COMPANY	DEATH BENEFIT ¹	SURRENDER VALUE	PREMIUM
_____	_____	\$ _____	_____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____	_____
_____	_____	\$ _____	_____	_____	_____	_____

Long-Term Care Insurance

INSURED	ISSUING COMPANY	DAILY BENEFIT	BENEFIT PERIOD	PREMIUM
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Riders/Other Benefits _____

Insured: H=Husband, W=Wife, S=Survivor, O=Other
Beneficiary: H=Husband, W=Wife, T=Trust, O=Other
Owner: H=Husband, W=Wife, T=Trust, O=Other

¹If the owner has borrowed against the policy's cash value, reduce death benefits by the amount of the loan.

Testamentary Plans

Present Estate Plan

Do you have a will? Yes No Date of Will _____

Have you used an irrevocable life insurance trust to exclude insurance proceeds from being taxed to your estate? Yes No

Do you have a living revocable trust? Yes No

Does your spouse have a will? Yes No Date of Will _____

Has your spouse used an irrevocable life insurance trust to exclude insurance proceeds from being taxed to your estate? Yes No

Does your spouse have a living revocable trust? Yes No

Does your spouse have long-term care insurance? Yes No

Have you utilized a gift-giving program to reduce the size of your gross estate? Yes No

Do you have a prenuptial agreement? Yes No

If yes, describe _____

If you own a business, do you have a succession plan in place? Yes No

If yes, describe _____

Are you active in any associations, charities or alumni organizations? Yes No

If yes, please list _____

Your Estate Planning Objectives

How would you like your estate to be distributed at your death, assuming you die first? _____

How would your spouse like his/her estate to be distributed at death, assuming your spouse dies first? _____

How much annual income will you need to retire? _____

What will be the source of that income? _____

Do you or your spouse plan to bequeath money/assets to a charity at death? If yes, explain. _____

Additional Estate Planning Information _____

Other Advisors: Attorney _____ Investment Advisor _____

Insurance Agent* _____ Trust Officer _____ Accountant _____

* in OR and WA: producer



Receipt for Estate Planning Documents

Instructions

- A. Check each document received for analysis.
- B. Indicate whether original (O) or copy (C).
- C. Agent* should complete, sign, date and leave the receipt with the client.
- D. Detach the factfinder from the brochure and leave brochure with the client.
- E. Upon returning the documents, have client sign and date, indicating that all documents have been returned.

INSURANCE POLICIES

COMPANY	POLICY NUMBER	COMPANY	POLICY NUMBER
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PERSONAL DOCUMENTS

BUSINESS DOCUMENTS

- | | |
|-------------------------------------------|--------------------------------------------|
| Your Will ¹ _____ | Income Tax Returns (3 yrs.) _____ |
| Spouse's Will ¹ _____ | Financial Statement ¹ _____ |
| Trust Agreements _____ | Stock Purchase Agreement _____ |
| Deeds or Contracts _____ | Business Buy-Sell Agreements _____ |
| Income Tax Returns (3 yrs.) _____ | Employee Agreements _____ |
| Gift Tax Returns _____ | Employee Benefits Booklet _____ |
| Financial Statement ¹ _____ | Pension or Profit-Sharing Plan _____ |
| Divorce Decree _____ | Leases of Lessor or Lessee _____ |
| Prenuptial or Postnuptial Agreement _____ | Other (specify) _____ |
| Other (specify) _____ | ¹ Minimum recommended documents |

Documents Received for Analysis

Your documents will be returned on completion of analysis, or sooner, if requested.

Agent _____
 Address _____ Phone Number _____
 Agent's* Signature _____ Date _____
 The policies and documents for which the above receipt was given have been returned to me.
 Client's Signature _____ Date _____
 Client's Signature _____ Date _____

* in OR and WA: producer



Underwritten by:

UNITED OF OMAHA LIFE INSURANCE COMPANY

Omaha, NE 68175

COMPANION LIFE INSURANCE COMPANY

Hauppauge, NY 11788

800 524 2324

mutualofomaha.com

Life insurance underwritten by United of Omaha Life Insurance Company. United of Omaha Life Insurance Company is licensed nationwide except New York and does not solicit business in New York. Companion Life Insurance Company is licensed in New York and underwrites life insurance in New York. Each underwriting company is solely responsible for its own contractual and financial obligations. Policies may contain exclusions and limitations. Product features and availability may vary my state. The information contained herein is general in nature and is not intended to serve as or be a substitute for tax or legal advice. Tax law is subject to interpretation and legislative change. Consult with your legal or tax professional before taking any action.

