



## Fundamental Estate Planning™

### PROGRAM DESCRIPTION, FEE AGREEMENT AND SUPPLEMENTAL MATERIALS

*A system designed to simplify and expedite writing a will and other personal legal documents for you and your family.*

#### The Basics

The Fundamental Estate Planning™ system (FEP) includes basic legal documents that every adult should have in his or her estate plan:

- Will (including guardianship and trust for minors where needed)
- Power of attorney
- Health care proxy (including living will)
- HIPAA release
- Homestead on the principal residence (if available)
- Standby guardianship for minor children

The FEP system covers all these “fundamentals.” With these documents, Borchers Ware & Guglielmo prepares clients for basic legal needs should disability or death occur.

#### How the FEP System works

FEP was created by Attorney Timothy Borchers in response to the unanswered need for everyday Americans to achieve peace of mind by completing wills and other personal legal documents, **quickly and cost-effectively**, with the assistance of an attorney.

*Traditional* estate planning is much more **time consuming and complicated** than is necessary for most Americans. 9 out of 10 adults have NO estate plan and the drawn-out approach of traditional planning is a major roadblock to getting this important job done for so many people.

With FEP, you **simply fill out the enclosed FEP QuickSheet Data Form and return it to our office to get started.** The entire process can be completed in as little as two weeks in most instances.

#### What FEP costs

The fee structure for the Fundamental Estate Plan is:

- Married couples \$ 995.00
- Single person \$ 850.00
- Partners \$ 995.00

#### What the FEP fee covers

The legal fee includes all of the **legal advice, documents, written explanations, as well as instructions for follow up**, such as how you should word life insurance beneficiary designations. If applicable, you will also receive a packet of information for your guardian and a copy of your health care proxy for your physician.

We are able to keep the cost of FEP lower than traditional planning by giving the client responsibility for supplying data through the use of the *QuickSheet* Data Form, which is a brief, non- “legalese” form.

#### Why use Fundamental Estate Planning™ ?

FEP involves <b>4 Steps</b> – compared with...	... the <b>10 or more Steps</b> involved in “traditional” Estate Planning –
<ol style="list-style-type: none"> <li>1. <b>Contact</b> Borchers Ware &amp; Guglielmo (or one of our professional colleagues where FEP is advertised)</li> <li>2. <b>Complete</b> the <i>QuickSheet</i> Data Form and mail to Borchers Ware &amp; Guglielmo.</li> <li>3. Borchers Ware &amp; Guglielmo reviews <i>QuickSheet</i> and contacts client to <b>propose appropriate plan</b>, then drafts plan.</li> <li>4. Client meets with Borchers Ware &amp; Guglielmo to <b>review, sign and take home completed FEP plan.</b></li> </ol>	<ol style="list-style-type: none"> <li>1. Locate a competent estate planning lawyer</li> <li>2. Check everyone’s schedule and set appointment when attorney and clients can meet</li> <li>3. Meet with attorney for 1 to 3 hours to discuss situation and design plan</li> <li>4. Attorney writes proposal for client approval.</li> <li>5. Client engages lawyer</li> <li>6. Attorney drafts documents</li> <li>7. Client reviews documents or meets with attorney to review</li> <li>8. documents are finalized</li> <li>9. Client signs documents</li> <li>10. Completed documents are mailed to client.</li> </ol>

We review the *QuickSheet* in a **scheduled call with the client**, in place of face to face meeting saving time, travel and money.

The service includes designing an estate plan based on the *QuickSheet* and plenty of opportunity with an attorney or paralegal to answer any questions.

**The attorney will spend up to an hour with you at the signing meeting to review the documents and make sure you understand your plan.**

### **Fee Agreement**

Prior to drafting your documents, we request a **\$250.00 pre-payment** from you. We ask that you include the payment when you send us the completed *QuickSheet* Data Form so work will begin on your plan without delay. This fee is nonrefundable as a charge for reviewing your *QuickSheet* Data Form and designing a plan for you.

The balance of your fee, plus any fees for additional services (as described below) and out-of-pocket costs will be payable upon signing your documents. Please be prepared to make full payment of your balance at the signing appointment.

Out of pocket costs or additional services, such as obtaining copies of deeds, filing fees or special drafting, will be charged to you. The charges for obtaining documents is generally **\$35.00 to \$50.00** per document, and recording fees at the Massachusetts Registries of Deeds are a minimum of **\$50.00** per document (including handling charge).

Customized drafting or redrafting (based upon a change in your intentions, for example), will be billed at an hourly rate of up to \$325.00 an hour.

Any additional costs or increase in fees will be outlined to you prior to being billed.

By signing your *QuickSheet* Data Form, you acknowledge receipt of this Fee Agreement.

### **Transferring Assets in under your Estate Plan**

After your documents have been completed and signed, your plan must be 'funded' to make it complete. 'Funding' your plan may include making changes to beneficiaries on life insurance policies, mutual funds or annuities. We highly recommend that you complete these steps to maximize the use of your plan, and we will advise you on the specifics for funding your plan at signing.

*Except for any real estate transfers that you may ask us to complete for a fee, you must take the initiative to fund your plan. You can do this by working with your account representatives to make the required changes in ownership and/or beneficiary designations, or you may hire us to assist you on an hourly basis. We will typically have our paralegals assist you at hourly rates beginning at \$110.00.*

For more information, on  
Estate Planning, please refer to  
our website at  
[www.borcherslaw.com](http://www.borcherslaw.com)

### **Glossary of common estate planning terms**

**Power of Attorney** – This person will handle your legal and financial affairs should you become incapacitated or are otherwise unable to handle your affairs yourself.

**Health Care Proxy** – This person will make immediate medical and long-term care decisions for you should you be unable to make these decisions for yourself.

**Executor** – Upon your death, this person will handle the legal and financial affairs of your estate and oversee distributions according to your will.

**Guardian** – This person will take care of your minor children while you are unable to do so, on either a standby or long-term basis.

**Trustee** – This person (or institution) would administer and distribute your assets to the beneficiaries (you or your heirs). The Trustee may, but does not have to be, the same person as the executor or guardian you have chosen.

## Guidance for Guardianship

*"If I am not here, take good care of the children."*

That is what we say when we appoint a guardian for our kids. By definition, the guardian is needed while the children are legally minors, and the guardian must be an adult. The guardian takes care of the child until the child is legally able to take care of him or herself. The guardian makes health, educational and disciplinary decisions. A prerequisite to this choice is that you fundamentally trust the person you nominate as guardian. Guardians need not be experts at child-rearing, just decent people.

Choosing a guardian can be a difficult and even divisive decision. Parents may have different ideas regarding the suitability of relatives or friends, and family ties may be strained over the choice. The following suggestions may make the decision making process easier.

Appeal first to your gut. Who do you like in this situation? Who must you rule out? You do not need to over-analyze. You usually know whom to choose.

Age and Health. While we like to have a guardian who is reasonably healthy and energetic, it may be sufficient that he/she have the wherewithal to see to the kids' needs – sometimes with help. This is often true of grandparents, who possess the love for the children but may lack the energy. If they are able to get around and will be for the immediate future and you feel they are the best choice, name them. You can also name a contingent guardian, or make a change in a couple of years. Let the guardian know that it is okay to decline to serve and let the contingent guardian take over.

Don't delay. Even if you cannot decide, do not let this issue delay your planning. Your guardian election can be changed in the future with a codicil to your Will.\* The goal is to choose someone and move forward.

Decide on a candidate and sleep on your decision for one night. Put a note on the refrigerator to remind you to re-examine the decision the next day. Remember, you can change your decision.

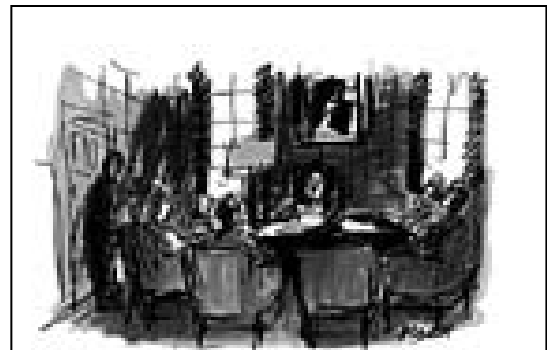
Even if you are not completely happy with your choice, it is likely that whatever happens, your guardian will rise to the occasion with good sense and seek assistance when necessary.

\* There is no charge for a "change of heart" codicil to your Will in order to change the guardians, so long as it is requested within one year of your signing.

### Other Factors to Consider When Weighing the Guardian Candidates

To offer further assistance in your decision making process, consider the following issues with regard to each of your guardian options

- Do not confuse care of the children, which is the job of the guardian, with care of their inheritance, which is the job of the trustee.
- What is the living and family situation of the guardian?
- What is their proximity to other family members?
- Do you have a need or desire for your children to be able to visit with grandparents, other family or friends? This is usually natural and incumbent upon the guardian, but we can state this if it is a concern.
- What is your desire for religious upbringing and education? We can state this if it is a concern.
- If the guardian does not have children of his/her own, is he/she likely to be able to rise to the occasion to be a parent?
- Guardians may be couples, but do not have to be. We often state that only the blood relative is the guardian, not the spouse, if that concerns you.
- Would you need to provide a stipend for the guardian to supplement their own household, which may be stretched given the new responsibilities? Sometimes it helps to know that you will not be burdening the household with more than they can handle. You can ease this burden by providing a modest subsidy to the guardians themselves, in a monthly or annual amount, funded by your life insurance.
- Will you need to provide housing for the guardian to be able to take your family in? If you need to provide a housing subsidy, allowance or down payment for a home, we can help you with the details on how to do that.



*His Will reads as follows, "Being of sound mind and disposition, I blew it all."*

### **A Word About Estate Taxes**

Fundamental Estate Planning™ does not include measures to reduce estate taxes. After reviewing the extent of your assets, Borchers Ware & Guglielmo, P.C. may recommend Lifetime Estate Planning™, which includes a tax analysis and employs trusts, gifting and various sophisticated techniques to achieve estate tax savings.

Add up your assets on the QuickSheet and read the following summary of the federal and state estate tax. If you decide that estate taxes are a concern to you, speak to us about Lifetime Estate Planning™.

**Federal** estate taxes are imposed when the value of your assets (including life insurance) at death exceeds **\$2.0m** (the "estate tax exclusion amount" for 2006-08).

**Massachusetts** estate taxes are imposed when the value of your assets exceeds **\$1.0m** in 2008. Massachusetts, like many other states, recently re-enacted an estate tax as a result of the changes in the federal laws, under which states would receive fewer estate tax dollars.

The \$1.0m (state) and \$2.0m (federal) estate tax thresholds are very easy to reach once you add up real estate owned, life insurance proceeds and retirement plan benefits, all of which are taxable for estate tax purposes, as well as unknowns such as inheritances or other windfalls that you might receive.

The federal estate tax is a steep tax (46% at this time). The Massachusetts estate tax is regressive (the rate starts at 37% and drops to 10%).

Depending upon the estimated gross worth of your estate, Borchers Ware & Guglielmo can provide you with effective strategies to protect your assets and reduce your tax liability. Please discuss this with us if you feel you need this protection.

### **Fundamental Trust Plan™**

For a small additional fee, the Fundamental Estate Plan™ can be expanded to include a revocable trust used to avoid probate of the estate and provide limited asset protection for surviving family members, meaning thousands in savings later. Please speak to us if you would prefer an expanded plan.

## **WHEN FUNDAMENTAL ESTATE PLANNING™ MAY NOT BE FOR YOU**

Fundamental Estate Planning™ is a streamlined and time efficient method of securing your "fundamental" estate planning goals (having a will, health care agent, power of attorney, naming guardians and trustee for small children, etc.).

However, it is not suitable for all clients. The following is a list of facts, which, if applicable to your situation, may render you a better candidate for our program called Lifetime Estate Planning™, which includes probate, asset protection, living trust and tax planning features.

Fundamental Estate Planning™ may not be suitable for you, if you:

- Would like to avoid the probate process (court proceedings to settle your estate)
- Own real estate in more than one state
- Already have a trust
- Own your own business and/or wish to pass the business to certain relatives or partners
- Have business or real estate partners
- Own stock in a privately-held company
- Have been advised by another professional to create a living trust or life insurance trust
- Expect to receive an inheritance which will substantially increase your net worth
- Are in a high liability occupation
- Have family members who are physically or mentally handicapped
- Would like to provide for children from a prior marriage
- Prefer to keep your financial matters private
- Are concerned about estate taxes
- Would like to provide for numerous, extended family members
- Would like to maintain a vacation home for your children after your death
- Are concerned with protecting assets from the cost of nursing home care