Estate Planning

Wills, Trusts, and Powers of Attorney

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EXPERIENCE

David R. York is currently a Shareholder with the Salt Lake City law firm of Callister Nebeker & McCullough, P.C., where he also serves on the firm's Board of Directors. David practices law in the areas of estate planning, tax, business planning, and non-profit entities. He is a Fellow with the American College of Trust and Estate Counsel (ACTEC). David has extensive experience in designing and implementing advanced estate planning strategies for high net worth clients. David regularly speaks to public groups and professional organizations on estate planning, tax planning, business entities, succession planning, Domestic Asset Protection (Dynasty) Trusts, charitable giving techniques, charitable entities, asset protection, defective grantor trusts, and other sophisticated tax and estate planning strategies. David is a member of the Utah State Bar, the Utah Association of CPAs, the American Institute of CPAs, the Salt Lake Estate Planning Council, the Utah Planned Giving Roundtable, the National Committee on Planned Giving, the Christian Legal Society, and the Estate Sections of the Utah State Bar and the American Bar Association. He is the past Chair of the Utah State Bar Estate Planning Section. David was named to *Utah Business Magazine's* 2009 Utah Legal Elite™ and as a Mountain States Rising Star in *Super Lawyers Magazine*. He is the co-author of the tax booklet *Tax Planning and Asset Protection for Businesses* and has written several articles on charitable giving and business succession planning.

EDUCATION

David graduated from the David Eccles School of Business at the University of Utah with a Bachelor of Science in Accounting as well as the S. J. Quinney College of Law at the University of Utah with a Juris Doctorate degree. While in law school, David served as the Note and Comment Editor for *The Journal of Contemporary Law* and was invited to participate on the law school's National Moot Court Team. In addition, David has previously earned his life, health, property and casualty insurance licenses, as well as a Series 7 general broker securities license (none active).

PERSONAL

David lives in Holladay, Utah with his wife Mindy and their four children, Emma, John, Samuel and Hudson. He enjoys coaching his children in sports, as well as running and playing basketball and softball. David is also on the Board of Trustees of several different area non-profit organizations, including a founding Trustee of The PI Foundation, which is a Donor Advised Fund with over $15 million of assets. He is the former Chairman of the Primary Children's Medical Center Planned Gifts Committee.

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Estate Planning

Your Estate Plan will ensure that your assets are distributed according to your wishes after your death. If you don't have a plan, the State you live in has one for you, and decisions about your assets will be left to the courts.

Your Estate Plan can also direct a medical treatment plan, carry out any burial wishes, and potentially make life easier for the people you leave behind — certainly financially and possibly emotionally.

The Title of Your Assets

Estate Planning starts with an examination of how your assets are titled. All assets carry a title of ownership — the legal documentation that indicates who owns what. These titles can play an important role in your estate plan, and you will want to consult a tax advisor and/or estate planning attorney to determine if your assets are titled appropriately to fit your overall plan or philosophy. Here is a brief overview of some common titles of ownership. However, this list does not include all possible types of title.

Sole Ownership

This is the simplest form of ownership. Only one name appears on the title document. At the owner's death, the entire value of the property is included in his/her gross estate. A will should include instructions on the distribution of any solely owned property. If there is no will, then state law will govern the distribution of the asset. Example: a bank account with only one name on the account.

Tenancy in Common

This covers property owned by several people. Each owner has a fractional, undivided interest in the entire property. Again, your will governs the transfer of property owned by tenancy in common, and if you have no will or if it makes no provision for the property, it will be distributed according to state law.

Joint Tenancy With Rights of Survivorship (JTWROS)

A common form of ownership for property held jointly by a husband and wife is joint tenancy. A parent and child, siblings, or business partners may also own property jointly with rights of survivorship. The distribution of this property takes place outside the will, meaning it avoids the probate courts. At your death, your share of the property transfers to your joint tenant(s). Different rules apply in community property states. Tenancy by the entirety is similar to joint tenancy (yet different), but Utah is not one of the states where tenancy by the entirety applies.

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To start on an estate plan begin by making a list of your assets. Be sure to include how each asset is titled and the value of each asset.

How Assets Transfer

Although there are a number of titles, all assets are transferred from one person to another in just three ways. Before looking at different estate planning techniques, it's important to understand these legal means of transfer. After you die, your assets will pass from you to your heir one of three ways:

By Law - Assets held jointly with rights of survivorship automatically go to the surviving joint tenant. Suppose that you and your spouse jointly own a brokerage account and you wish to leave your half of the account to a sibling. You can't. The law holds that a jointly owned asset with rights of survivorship automatically goes to the surviving co-owner, no matter what you've written in your will. Even if a will governs the distribution of your estate, some property may still be transferred by law. For example, if your estate ends up in probate, the courts may distribute some of the estate's assets to your survivors as a family allowance which would provide for your surviving family's support during the probate process. In addition, many states grant a homestead allowance, which exempts real estate such as a home and, in some states, some personal property from probate, keeping these assets beyond the reach of creditors. In Utah, the 'Homestead Allowance' is $15,000.

By Contract - A second means of transferring assets to your heirs is by contract. Many of us have already entered into this kind of arrangement — with life insurance, for example. The proceeds from your life insurance go to the named beneficiary no matter what the directions of your will. If you wish to change the beneficiary, you must amend the contract. The same is true for your 401(k) and/or 403(b) accounts — your beneficiary designation is a contract that will govern the distribution of your assets.

By Will - A will is the best known estate planning instrument. It is a legal document that governs the distribution of your assets at death. The will also names your executors — representatives you appoint to carry out your wishes. Although there are three ways that assets can transfer, the will is, for most people, the cornerstone of their estate plan.

How Probate Works

Probate is the court-supervised process that validates your will and authorizes your executor to carry out the management and distribution of your estate. If your estate is relatively small and uncomplicated, then probate should be a quick, inexpensive proceeding. Too often, however, the probate process can be lengthy and expensive, chewing up the value of your estate while your assets sit in legal limbo.

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Here's how probate works, generally speaking:

1. Your survivors request that the process begin, and a judge ensures that your will is valid.

2. Your executor then takes an inventory of your estate, pays your bills, and collects any benefits due to your estate.

3. Next, the court reviews your estate's paperwork and makes sure that all debts are paid.

4. Your remaining estate is then distributed to your heirs.

5. If you own property in other states, your estate will probably undergo probate proceedings, known as ancillary probate proceedings, in those states too.

Why does Probate often have a bad reputation? - Probate can be very expensive. Actual 'probate fees' will vary from state to state. The largest part of the expenses associated with probate, however, are the attorney's fees. Legal and executor fees, levied on either an hourly basis or as a percentage of your assets, can soak up a big chunk of your estate, sometimes 10% or more. An executor should shop around, getting estimates of the total probate bill from different attorneys and estate professionals before the proceedings begin. Probate can also take a lot of time. Probate can take one or two years, perhaps more if there are claims made against your estate or the will is contested. Your assets won't be distributed to your heirs until the process is complete. Also, there's no privacy in probate. Probate files are public documents, open to anyone. Finally, the probate process takes the control of your estate out of your family's hands and vests control with anonymous court officials.

Can you avoid probate? Yes. In addition to assets that transfer by law or contract, assets distributed to your heirs from a living trust avoid the probate courts. In recent years, living trusts have become an increasingly popular estate planning tool.

Your Last Will and Testament

Everyone needs a will. Unfortunately, more than half of all adults don't have one. Perhaps it's time to think about the people you will leave behind when you die — especially if those people are dependent upon you for financial support. If you already have a will, it's important to remember to revise that will when you experience a significant change in your financial or personal circumstances such as marriage, divorce, birth of a child, etc.

What is a Will? - A will is simply a legal document that says who gets what when you die. There are several ways to approach developing a will. You can buy a "fill in the blanks" type at your local office supply store, you can purchase a computer program that will help you develop one, or you can have an estate planning attorney assist you (the cost will vary depending on the complexity of your assets.) Whatever way you choose, you may want to consider having an attorney review your will to ensure it complies with state law. Any will (in Utah) requires the

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witness signatures of two people who are not your relatives or beneficiaries, and those signatures must be notarized.

You can also write what is referred to as a "holographic will" which is simply writing the instructions for distribution of your assets on a piece of paper. The four basic requirements for a holographic will are listed below:

1. Use a clean sheet of paper with absolutely no other writing, logos, or markings on it.

2. Make sure that the entire will is in your handwriting and is dated and signed by you.

3. If you make a mistake, don't cross it out — start over.

4. Don't have anyone else witness a holographic will.

What Happens if you Don't Have a Will? If you die without a will, you die intestate. Your estate is then distributed according to the intestate laws of the state in which your property is located. These laws typically favor the surviving spouse, though he or she won't necessarily receive the entire estate. In any case, the distribution of assets has been taken out of your hands, and there's no guarantee that the results will reflect your wishes.

Who Gets What — and When? You may have already given some thought as to who those individuals are that you wish to include in your will, and those that you especially wish to leave out. Take the time to sit down and begin the thought process that goes along with developing your own "philosophy" that will guide the distribution of your assets. Most often bequests provide for the financial support of your survivors, though they may also be meant to express appreciation and gratitude to a friend or relative. You may also wish to leave a large bequest to a charitable organization.

The timing of each of your bequests is also set forth in your will. If you are leaving substantial assets to minor children, for example, you may wish to delay their possession of these assets until they reach adulthood. We will discuss trusts later to explore some of the options available to you. To cut the costs paid by your estate, you may also want to specify that your beneficiaries must survive you by a certain length of time — 45 days, for example. This provision eliminates double taxation and additional court costs if your beneficiary dies shortly after you. This stipulation also lets you determine who gets the property if your first beneficiary dies soon after your death.

To leave someone out of your will, specify the person by name in your will. Doing so reduces the likelihood that they will contest your will. If you wish to disinherit an individual that you think may expect a bequest, simply leave them $1. This will make it more difficult for them to challenge your will, or argue that you had merely forgotten him or her.

Executors, Guardians, and Trustees - When writing a will, you will need to make important decisions about the management of your estate and personal affairs at your death. Selecting the

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people who will play important roles in the distribution of your assets and the lives of your survivors is a crucial part of estate planning.

An Executor - Your executor is your personal representative, appointed to shepherd your estate through probate. This representative can be an individual or a professional organization such as a bank or trust company that specializes in estate and trust management. The executor for your estate will have many responsibilities, such as: cataloging the assets in your estate; settling any liabilities, claims, or taxes against your estate by raising cash from the sale of estate assets; distributing the remaining assets to beneficiaries; and filing the paperwork for state and federal income, estate, and inheritance taxes. Being an Executor is a big responsibility. Some qualities you should look for in selecting an executor are listed below:

1. Sensitivity — An executor must juggle the different and perhaps conflicting needs of your beneficiaries. Meeting these needs equitably demands sensitivity to the situations of all involved.

2. Integrity and loyalty -- The executor for your estate is under a fiduciary obligation to your heirs. In other words, he or she has a legal obligation to manage your estate for the exclusive benefit of the beneficiaries — a responsibility that demands unimpeachable integrity.

3. Competence — An executor doesn't need legal or financial expertise; lawyers and financial advisers can be hired. But the executor must be honest, fair, and well organized.

4. Proximity — Serving as executor is time-consuming. It's important to pick someone in the same geographical area as your estate.

A Trustee - If your estate plan includes a trust, you will need to nominate a trustee to manage the trust for your beneficiaries. Management of a trust will most likely demand knowledge of complex financial, tax, and regulatory issues, and many individuals appoint a corporate trustee such as a bank or a trust company.

A Guardian for Minor Children - Who will care for your children after your death? If you have children under age 18 (or the age of majority in your State), even if you're married, you should decide on a guardian to prepare for the tragic — and infinitesimally small — possibility that both you and your spouse may die simultaneously. If you don't select a guardian, the decision will be left to the courts. Choosing a guardian is a difficult task, but a very important one, and you should review your selection periodically to make sure that the person you have selected is still the best choice. As you make your choice, consider the following:

1. The ages of the proposed guardians and their children.

2. The ages of your children.

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3. The guardians' health and financial situation.

4. The religious and/or philosophical differences between you and the guardians.

Finally, if your children are old enough, ask for their thoughts on your selection.

Durable vs. Special Powers of Attorney - A Power of Attorney document empowers someone else to act on your behalf. That document can be limited to only your financial matters, or health care decisions, or some other area of your estate. A Power of Attorney can also be durable or special. Generally speaking, a Durable Power of Attorney is in effect from the time the document is signed and is valid even during periods of disability. A Special Power of Attorney will ‘spring’ into effect at a particular circumstance or event. Any Power of Attorney document will become invalid at your death. Copies of any Power of Attorney documents should be given to the person you have selected as your ‘attorney-in-fact’ and/or your spouse, and your lawyer or estate planner.

Trusts and Taxes

Evaluating Your Need for a Trust - Trying to decide whether your estate and/or estate plan warrants setting up a trust can be complex. Generally speaking, trusts are used to accomplish one or more of the following objectives:

1. Avoid all of your assets having to go through probate.
2. Keep the affairs of your estate private and confidential.
3. Take advantage of certain tax adjustments and/or minimize the effect of taxes on your estate.
4. To make sure your assets are used the way you wish them to be after your death.
5. To simplify management of your estate in the event that you become disabled.
6. To manage the assets in your estate by appointing a trustee who is perhaps more knowledgeable in financial matters than your beneficiaries.
7. To protect your assets from creditors or potential future ex-spouses or children.

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Listed below are a couple of terms that you will want to be familiar with:

Revocable Trust - A trust that can be revoked, amended, or terminated by the grantor and the property recovered by the grantor.

Irrevocable Trust - A trust in which the grantor alone cannot retain any right to alter, amend, revoke, or terminate the trust.

Grantor - The person who creates a trust; also called a settlor, creator, or trustor.

A Revocable Living Trust - A living trust, also known as a revocable living trust, is created to take possession of your property. You control the property in a living trust, but you no longer own it, at least not according to the letter of the law. A living trust is designed to keep your assets out of probate, but it does nothing to reduce your estate's tax liability. You can still sell property in your trust, transfer assets into and out of the trust, and even revoke the trust. Nothing has changed except the title of ownership attached to your property. As long as you live, you can receive income generated by investments in the trust. You have access to the principal, too. In your living trust, you will leave instructions for the distribution of your assets. The trust can also work in conjunction with a pour-over will, which can provide distribution instructions for assets held outside the trust. At your death, the pour-over will must go through probate, and after your estate is settled, e.g. all expenses and liabilities are paid, the remaining assets addressed in your pour-over will which can be distributed to the named beneficiaries via the trust. Revocable trusts are used primarily to avoid the probate process and to provide for your own support should you become disabled, but they do nothing to reduce federal estate, gift, and income taxes owed by the grantor.

Living Trusts Advantages:

1. Assets can be distributed right away without probate delays.

2. May reduce expenses associated with probate.

3. Maintains your estate’s privacy.

4. A successor trustee is named to manage your assets if you become incapacitated.

5. Trust is revocable. You can alter or cancel it throughout your lifetime.

6. Can be used to keep property located in other states from probate in those jurisdictions.

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Disadvantages

1. More expensive than a will.

2. Does not reduce income taxes.

3. Must make sure to retitle assets.

4. Does not provide creditor protection for the grantor, but may do so for the beneficiaries of the trust, including the surviving spouse.

Estate Taxes

Irrevocable trusts are often used to reduce the size of your estate and minimize estate taxes. To reduce the value of your estate, you need to give up ownership of some assets; once assets have been transferred to an irrevocable trust, you can't repossess that property. You can't change an irrevocable trust's beneficiaries, either.

The Economic Growth and Tax Relief Reconciliation Act of 2001 gradually raises the size of an estate that passes to your heirs free of federal estate taxes, with the eventual repeal of the federal estate tax in 2010. This is called the 'unified tax credit.' This chart shows the new amounts and the corresponding year during which the limit is in effect. This 'credit' is cumulative, and is reduced by any taxable gifts that you make during your lifetime.

2009	$3.5 million	2011 and on	$1 million
2010	Repeal of Estate Tax		

Estate taxes are due nine months from the date of death. Under certain circumstances, you can get an extension for twelve months, but you will owe interest on the amounts due for that period. Also, federal tax law does allow for your estate to be valued either on the date of death or six months later, whichever is to your advantage.

You can take into account the 'unified tax credit' when calculating the amount of federal estate tax owed, but the additional percentage owed will range from 40 percent to 50 percent depending on the size of your estate.

There are also state death taxes, in some states (Utah, for example) which are computed with reference to the federal taxable estate, and in other states, with much lower thresholds, computed independently of the federal estate tax. For example, state inheritance taxes in some states are based on the value of what each beneficiary receives rather than on the value of the taxable estate.

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Living Wills and Medical Directives

It was a situation you hoped would never occur and a decision you hoped you would never have to make, but here you are. Your Mother has had a severe stroke and is able to breathe only with the help of a respirator.

Six weeks have passed, and your Mother lies in her hospital bed, unable to communicate and showing the first signs of pneumonia. The medical staff at the hospital take you aside and ask if you would like to have your Mother treated with antibiotics or accept the risk that her pneumonia will most likely be life-threatening. If your Mother does live through the pneumonia, she will require institutionalized care for the rest of her life.

You and your parents have talked about their wishes in this circumstance, but neither you nor your parents have completed a Living Will. If you find yourself in this circumstance, your decision may be difficult. It could be a decision made easier if you have documents in place outlining your Mother's wishes. Consider completing the following documents as part of your overall estate planning process.

A Living Will - A Living Will (in Utah) is a document that allows adults, while in a clear frame of mind, to indicate the level of care they wish to receive if they have or develop a terminal condition that makes them unable to make such decisions, or if they fall into a persistent vegetative state.

A Medical Treatment Plan - This is a written statement that summarizes your discussion with your physician regarding medical treatment. It allows you to give directions to your physician about your treatment if you already have a serious injury, disease, or illness, or if you are contemplating an operation or medical procedure that may result in substantial impairment or death.

A Special Power of Attorney - A Special Power of Attorney for Health Care is a written statement that gives legal authority to another person (your designated agent) to make health care decisions on your behalf when you are unable to participate in decision-making due to illness or injury.

Organ Donation - If you are interested in being an organ and tissue donor, you may want to include an Organ Donor Statement with or on your Living Will. This statement is simply something to the effect of 'I have spoken with my family about organ and tissue donation. I wish to donate any needed organs and tissues (or you can specify which organs/tissues).' Be sure to sign and date your donor statement. It may also be a good idea to have family members witness your decision.

Insurance

Long-Term Care Insurance - The 'good news' is that Americans are generally living longer. Over the last 50 years, developments in medical technology have lengthened our life expectancy.

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The ‘bad news’ is that this fact could have a significant effect on whether or not you will need long-term care in a nursing home before you die. Also, statistics show that women are more likely to need nursing home care than men. The results from studies that project future nursing home use vary from study to study. However, in general, they all agree that the need for Long-Term Care is increasing. The cost for long-term care in a nursing home can be as high as $30,000 to $50,000/year depending on the type of care you need and what type of facility you choose. Home health care services cost much less, but they can still easily range between $10,000 and $20,000/year. If it turns out that you need long-term care services, how will you pay for it? Will your insurance pay? Will Medicare pay?

While some medical insurance coverage will pay for some short-term stays in a nursing home, most of your long-term care costs will be paid by your own personal resources, and if those are exhausted, possibly Medicaid. Long-Term care insurance isn’t right for everyone, and trying to assess your own personal need for Long-Term Care insurance can be difficult. The chart below, provided by the National Association of Insurance Commissioners, may help. Keep in mind, however, that what constitutes ‘significant assets’ will vary from one individual to another. Some people with very significant assets may prefer to take the risk and ‘self-insure’ themselves, and others may place more emphasis on preserving their ‘significant’ estate for heirs by purchasing Long-Term Care insurance to assume the risk. It’s an extremely ‘individual’ decision.

Long-Term Care insurance policies are not currently standardized. Type of coverage and level of coverage will vary from policy to policy, and some companies will require underwriting. In other words, if you have poor health when you decide to apply for Long-Term Care insurance, your coverage may be limited or certain conditions may be subject to a pre-existing condition exclusion. And, as you might expect, long-term care insurance premiums get more expensive as you get older. According to the National Association of Insurance Commissioners (NAIC), annual long-term care insurance premiums for a person age 65 can be as high as $2,000/year, and could easily double if you wait until age 75 to buy the policy.

The booklet *A Shopper’s Guide to Long-Term Care Insurance* written and produced by the NAIC is available from the Utah State Insurance Department, and it should be provided for you by insurance companies or agents who try to sell you a long-term care insurance policy. If it is not provided or you want to review it before you speak with an insurance agent, you can contact your State Insurance Department for a free copy.

Life Insurance - Life insurance can be a vital protection for your family should you die. The primary purpose of life insurance is to protect your family for a premature, permanent loss of your income.

What types of insurance are there? Life insurance comes in two general types: term and whole life. Term insurance is the cheapest type of insurance and is typically 10% to 20% of the cost of whole life insurance. It is sometimes referred to as ‘renting’ insurance, because if you die while a term policy is in force, your heirs will be paid, but at the end of the policy, if you are still alive, you receive no benefits from the policy. Whole life insurance, on the other hand, has both a

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current death benefit and a cash value which can be accessed during life. It is like ‘buying’ insurance.

How much life insurance do you need? The amount and type of life insurance that is right for you depends on a number of different factors, including your age, the ages of your spouse and children (if any), and your current debt obligations. See the worksheet below for one method of determining how much life insurance you might need.

Charitable Giving Techniques

There are a variety of ways of supporting churches, charities, and other tax-exempt organizations in ways that are beneficial for income tax purposes as well as estate tax purposes.

Gifts of highly appreciated assets (e.g., stocks)

Example - Donor purchased stock for $1,000 and it is now worth $11,000. If donor were to sell the stock he would pay capital gains tax of roughly $2,500 and could donate the remaining $8,500 to a charity and would get an $8,500 tax deduction. If, on the other hand, the donor were to donate the stock directly to the charity the donor would receive a tax deduction of $11,000 and the charity could sell the stock, receive the full $11,000 and pay no capital gains tax.

Bequests of IRAs/Qualified Plans at death.

Retirement assets are subject to potentially two levels of tax at death: Federal Estate Taxes on the value of any assets inside a retirement plan, as well as Federal and State income taxes when the assets are removed from the plan.

Example - Donor dies with $500,000 in an IRA. The IRA, when taken out by the beneficiaries, is subject to income tax at a maximum combined federal and state rate of approximately 45%, leaving $275,000. If the donor also owed estate taxes of 50% on those funds, only $137,500 would be left for the family. If, however, a charity were named the direct recipient of the IRA, then it would receive the entire $500,000 and the donor's estate would be entitled to a $500,000 estate tax charitable deduction, which could save up to $250,000 of taxes.

Charitable Remainder Trusts

A charitable remainder trust is a split interest tax exempt trust where a donor receives a current income tax deduction and an income stream for life and a charity receives the principal at death.

Example - Donor has $1 million worth of highly appreciated stock upon which, if donor were to sell, he would have to pay capital gains tax of $250,000. Instead, donor could contribute the stock to a charitable remainder trust (CRT) and receive a fixed or variable amount of income (e.g., 8% or $80,000) for the rest of the donor and donor's spouses lives and at the death of both of them the remainder would go to charity. Without the CRT, the donor would only have $750,000 and would only receive $60,000 per year (assuming the same 8% return). In addition

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to the annual income, the donor would also receive a current income tax deduction of approximately $100,000, saving up to $45,000 in income taxes.

Charitable remainder trusts offer several advantages:

1. Stock could be sold without paying capital gains tax
2. Donor receives charitable deduction
3. Donor receives income stream on the entire amount and not the amount less taxes
4. Charity receives principal amount at the death of Donor(s)
5. Can be used in conjunction with an irrevocable life insurance trust (ILIT) to ensure that the donor's children are provided for and are not "disinherited"

Charitable remainder trusts come in two general types: Charitable Remainder Annuity Trusts and Charitable Remainder Unitrusts. A Charitable Remainder Annuity Trust ('CRAT') pays a fixed dollar amount to a donor for a fixed period of time or for the life of a donor. The amount paid to the donor is determined at the creation of the CRAT and won't change, regardless of the actual performance of the assets owned by the CRAT. ACharitable Remainder Uni-Trust pays a fixed percentage of the CRUTs assets each year to a donor for a fixed period of time or for the life of a donor. The amount paid to the donor will vary each year depending upon the performance of the CRUTs assets.

Another variation, or alternative, to a CRT is what is known as a Pooled Income Fund. A pooled income fund is similar to a CRT except the charity manages the assets and pays a fixed sum to the donor for the life of the donor. At the death of the donor, the funds are transferred to the charity.

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Life Insurance Worksheet

	Insured	Spouse (if any)
1. Current Income after Taxes/Dollar Value of services provided to family	$____________	$____________
2. Less: Personal Expenses (i.e. your living costs, life insurance, savings)	$____________	$____________
3. Annual Income Required to support Family	$____________	$____________
4. Additional Annual Income Available to Family (i.e. spouses earning potential above what is currently needed and used by the family, social security, retirement plans)	$____________	$____________
5. Line 3 minus line 4	$____________	$____________
6. Insurance Needed to Replace Income (Line 5 multiplied by 10)	$____________	$____________
7. Lump Sum Needs (i.e., total debts other than mortgage, education costs for spouse or children)	$____________	$____________
8. Total Funds Needed (Line 6 plus line 7)	$____________	$____________
9. Total Assets Available (investment real estate, stocks, savings)	$____________	$____________
10. Total Insurance Needed (Line 8 minus line 9)	$____________	$____________
11. Total Current Life Insurance	$____________	$____________
12. Additional Life Insurance Needed (If line 10 is greater than line 11)	$____________	$____________

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