



Nationwide®
is on your side



Planning workbook

Turn your land into a legacy

Land As Your Legacy[®]

Farming and family are intertwined. That's why developing an effective transition plan is important. With it, you can prepare for the future knowing that your agribusiness operation will be handled the way you want.

As an owner of a family farm or ranch, many of your assets are tangible items. Land, livestock and equipment may be difficult to divide evenly among your children or desired parties. And when the time comes for retirement, selling those assets to help pay off taxes and expenses can be equally challenging.

With a plan in place, you can gain confidence that the needs of your business, your family and your future will be met.



The 5 key elements of a carefully designed transition plan

SUCCESSION PLANNING

Creating the path to successfully pass the business to the next generation

BUSINESS PLANNING

Ensuring profitability now and in the future

RISK MANAGEMENT

Identifying and preparing for risks to the farm operation

FINANCIAL INDEPENDENCE

Creating financial independence from the farm so that the next generation can start receiving income from the operation and the senior operator can move into the role of mentor

ESTATE PLANNING SERVICES

Getting the documents in place to create an orderly distribution of assets upon death



Please complete this fact finder in its entirety.

The foundation for a good plan is accurate and complete information. Without it, the plan will be flawed and may fail at the very time it is needed. So while you may wonder why we need a particular piece information, this list is based on our years of experience and is the key to accounting for all the unique characteristics of your operation.

Required information

Personal information

- Provide a summary of your farm/ranch operation and your goals for going through the program
- At least 2 years of personal tax returns (3 is preferable), including your Schedule F form
- A recent balance sheet or summary of assets

Estate documents

- Last will and testament (if applicable)
- Trust documents (if applicable)

Information about your farm/business

If you have a farm-related business entity; e.g., General Partnership, Limited Liability Company or Corporation

- 2 years of complete tax returns for each farm-related business
- A balance sheet for each farm-related business
- Operating agreements or company bylaws, if applicable

Additional information

Your planning team:

Are you currently working with an accountant? **Yes** **No**
If yes, CPA name: _____

Are you currently working with an attorney? **Yes** **No**
If yes, attorney name: _____

Are you currently working with a lender? **Yes** **No**
If yes, lender name: _____

Family information

First name	Last name
<hr/>	
Date of birth	
<hr/>	
Email	Phone
<hr/>	
Address	
<hr/>	
Occupation	Employer
<hr/>	
Marital status	
<hr/>	

First name	Last name
<hr/>	
Date of birth	
<hr/>	
Email	Phone
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Address	
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Occupation	Employer
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Marital status	
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Living children – please indicate if blended family

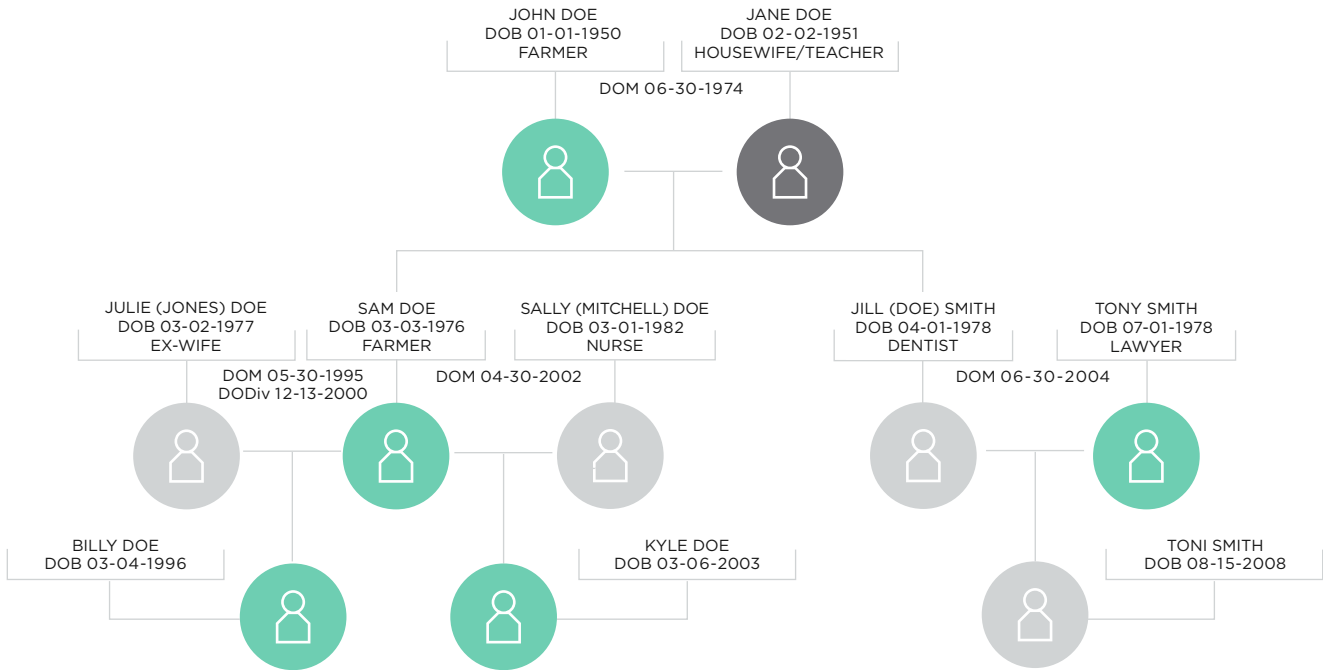
First name	Last name	Date of birth	Spouse name
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
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Living parents

First name	Last name	Date of birth	Spouse name
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>

Family tree

Following the example below, please diagram your family tree below. Use legal names, birth dates, spouses, business relationships, etc., and include information on your living parents and children and siblings (if relevant). Use additional paper if necessary.



Legend

DOB	Date of birth	DOM	Date of marriage
DOD	Date of death	DODiv	Date of divorce

Diagram of family relationships

Please use the example above to create your family tree. Provide the same information as in the example.

Goals

Rank all goals that apply in order of importance.

Rank	Goal
	Transition the farm/ranch to _____; desired time frame _____
	Protect the farm/ranch from divorce, creditors and/or family disputes
	Expand the farm/ranch operation
	Train someone to take over the farm/ranch
	Reduce income taxes
	Minimize estate settlement costs, publicity and time to close estate
	Provide for surviving spouse and/or heirs in the event of death or disability
	Provide for a family member's education
	Plan for long-term care costs
	Successfully invest and manage the taxation and use of a windfall
	Minimize estate and inheritance taxes
	Pay off debt
	Save money for retirement
	Set up benefits program for myself or key employees
	Review investment portfolio
	Establish a retirement plan for farm/ranch

Additional goals

Concerns

Family story example



We are Don and Gail Smith.

Don's parents started a row-crop operation, which has grown substantially over the years. The production focus is corn and soybeans. Gail also comes from a farming family, but her family's farm has already been transitioned to her brother. Our parents have passed away, and now we're both turning 66. We've begun to think about the future of our farm.



We have 3 children. Ashley is the oldest and just turned 43. She is single and has no children. Ashley has a very good job working in finance in New York. She earns a great living and has not been involved with the farm. Brenda is the middle child; she's 41 and is married to Adam. Brenda and Adam live in Cedar Rapids and are both teachers. They have 3 children. Brenda and her family come back to the farm to visit but are not involved in the farming operation. Steve is the youngest at age 38 and has spent his lifetime working on the farm with us. He is married to Sarah, and they have 2 children. Sarah helps on the farm and works as a part-time nurse.



As the size of the operation grew, we brought in a couple of other people to be involved. They are not relatives but do have some ownership in the operational entity. Jeff, who is 55, has worked on the farm for many years and hopes to stay involved, but he does not have any interest in managing the farm. Tom, age 52, also has helped us for many years but will not be the one to run the farm in the future.



We both agree that our son Steve is our intended successor of the farm operations, but also want to make sure that we are fair to Ashley and Brenda. We've been so busy building the farm operation that we only have simple wills in place that are more than 20 years old. We are concerned about what would happen to the farm if these documents are not updated. We are looking for ideas and guidance with the estate documents.



We have 5500 acres of land, most of which we own personally. We have taken the steps and established a business entity for the farm operation. This entity holds most the operational assets, including machinery, grain bins and crop inventory. The business owns a small amount of land where the grain bins are located.



We are looking for ideas about how to keep the farmland in the family and protect it from possible divorce or creditors. Also, from an operational side, we are looking for ideas as to how to pass our operational interests to Steve starting while we're still alive. We have substantial assets outside of the farm that we are planning to distribute among our children to make sure inheritances are fair.

Case summary

Please provide a description of your farm/ranch operation (background, who's involved, family dynamics, etc.). Use the example on the previous page for guidance.

Assets

Please provide an official balance sheet. If an official balance sheet is not available, please complete the “Assets” section on Page 11.



Why this is important

Your balance sheet indicates your current and future financial health. It tells us what you own and what it is worth. It also tells us about your debt: how much you owe and who you owe it to. These are the assets and liabilities you will leave behind if something were to happen to you. Knowing your net worth also helps plan for potential estate or inheritance taxes.

Knowing the types and quantity of assets an individual owns helps us provide guidance as to whether a business entity is needed and, if so, what type. For example, a sizable row crop farm should probably be placed into an LLC or S corp, whereas a sizable dairy operation may benefit from being a C corp. It's also possible that an individual may not need any business entities, but instead would benefit from the use of a trust and extra liability coverage on certain assets.

Your balance sheet also provides information about your retirement accounts. Can you afford to retire? Should you put more money into retirement accounts rather than into the farm? Should you rely on leasing the land during your retirement years for retirement income? If you did so, would that place your successor into a tight financial predicament? Many retirement questions can be answered based upon analyzing the liquidity (or lack of liquidity) reflected on your balance sheet.

Summary of assets

When possible, look at account statements, deeds, annual reports and any other documentation that can provide the correct ownerships, valuations and beneficiaries. Put only ownership that is “joint with rights of survivorship” in the joint column. If a husband and wife own property as “tenants in common”, divide the value in half and put equal amounts in their individual columns. List assets owned by a separate business entity (C corporation, S corporation, LLC, limited partnership, partnership) on a separate inventory form. Indicate the type of business entity, the value of the interest owned and who owns it. Also indicate whether property is owned in different states. If not recorded elsewhere, please note the beneficiaries for annuities, insurance and retirement plans, and whether bank accounts and investment accounts are payable on death or transferable on death.

Assets

Real estate (personally owned)		Spouse 1	Spouse 2	Joint
Residence		\$	\$	\$
Buildings		\$	\$	\$
Farmland	Acres _____	\$	\$	\$
Personally owned business property				
Machinery		\$	\$	\$
Harvesting crops		\$	\$	\$
Growing crops		\$	\$	\$
Livestock		\$	\$	\$
Business entity 1		\$	\$	\$
Business entity 2		\$	\$	\$
Business entity 3		\$	\$	\$
Other		\$	\$	\$
Other assets				
Notes receivable		\$	\$	\$
Closely held stock interest		\$	\$	\$
Other		\$	\$	\$
Bank notes				
Savings/money market		\$	\$	\$
Checking		\$	\$	\$
CDs		\$	\$	\$
Other		\$	\$	\$
Investments				
Qualified retirement plans		\$	\$	\$
IRAs/SEPs		\$	\$	\$
Roth IRAs		\$	\$	\$
Annuities		\$	\$	\$
Mutual funds		\$	\$	\$
Stocks		\$	\$	\$
Bonds		\$	\$	\$
Other		\$	\$	\$
Personal property				
Automobiles		\$	\$	\$
Home furnishings		\$	\$	\$
Antiques/jewelry/collectibles		\$	\$	\$
Other		\$	\$	\$
Total		\$	\$	\$

Total value of assets:	Total liabilities:	Net worth:
\$	\$	\$

I represent that the information on this inventory is true and complete to the best of my knowledge. I understand that if items are omitted or misrepresented, my goals and objectives may not be accomplished.

Client signature _____

Income and expenses

Please provide 2 (preferably 3) years of personal tax returns, and your Schedule F form.



Why this is important

Your tax returns tell us a lot about you and your business. It tells us if you are using a business entity or business entities for part or all your business. It indicates if you are contributing to or receiving Social Security benefits. It shows us the sources of your income and what your deductions are.

Schedule F and its accompanying depreciation table helps us understand the farm's cash flow and how the farm is doing business. Many farmers like to show that they are typically not making much money; however, the Schedule F will provide insight as to whether you are in actual need of strategic conversations regarding the viability of the farm — not only for your generation, but for your successors as well.

Schedule F provides information about:

- Type of farm crop or activity
- Cooperative distributions
- Ag program, loan or insurance payments
- Expenses
- Depreciation and section 179 deductions
 - Depreciation may be used strategically with IRC 199A to help take advantage of depreciation over a longer number of years
- Benefits and qualified retirement plan
- Net profit or loss

Among other things, this information can indicate:

- Whether you are taking advantage of or can take advantage of 199A
- If a change in the structure of the business would be beneficial (e.g., for FSA payments)
- If there is a key person within the operation
- Whether section 179 deductions and depreciation are being used to suppress “real” income
- The viability of employee benefits and qualified retirement plans

Schedule F help us analyze potential business structures and possible cash flow analysis. Cash flow will be especially important for you to help facilitate other strategies.



Life insurance

Policy 1

Insured: _____ Owner(s): _____

Beneficiaries: _____

Death benefit: _____ Premium: _____

Company: _____ Type: _____

Cash value: _____

Policy 2

Insured: _____ Owner(s): _____

Beneficiaries: _____

Death benefit: _____ Premium: _____

Company: _____ Type: _____

Cash value: _____

Policy 3

Insured: _____ Owner(s): _____

Beneficiaries: _____

Death benefit: _____ Premium: _____

Company: _____ Type: _____

Cash value: _____

Policy 4

Insured: _____ Owner(s): _____

Beneficiaries: _____

Death benefit: _____ Premium: _____

Company: _____ Type: _____

Cash value: _____

Policy 5

Insured: _____ Owner(s): _____

Beneficiaries: _____

Death benefit: _____ Premium: _____

Company: _____ Type: _____

Cash value: _____

What estate planning documents do you currently have?

Wills, trusts, powers of attorney, health care directives, operating agreements, corporate resolutions and by-laws, buy/sell agreements and other documents are important. These documents are the current foundation of your plan. They need to be reviewed to be sure that they are adequate to accomplish your goals and objectives. We often see that such documents have not been implemented or are no longer relevant because of the many changes that have occurred since they were drafted. Now's the time to determine if there are gaps or issues — not when it's too late.



Why this is important

Without proper analysis of these documents, the transition of your farm and assets might not actually go the way you intend. Although a brief description of the terms of these documents might seem to be enough, it is often the smaller provisions within the documents that can jeopardize the plan. For example, in a trust, are there provisions to ensure that an S corp remains an S corp and will not become a C corp because the trust has become an ineligible shareholder?

Qualified Subchapter S Trust (QSST) and Electing Small Business Trusts (ESBT) provisions are simple yet often overlooked provisions that could hamper the successor's operation. Are there provisions in your trust regulating how ground is to be rented, opportunities to buy out the land, incapacity provisions? It is not enough to know that assets go to surviving spouse and then equally amongst the kids. Why? Because there are many details that are often overlooked that can add stress to what is most likely already a stressful time.

We're here to make sure that things unfold as you intend — and for that to happen, we must know the details.

Last will and testament (if yes, please provide a copy to Nationwide)

Spouse 1

Spouse 2

Trust agreement (if yes, please provide a copy to Nationwide)

Spouse 1

Spouse 2

Power of attorney

Spouse 1

Spouse 2

Health care directives

Spouse 1

Spouse 2

Estate planning goals

Please rank up to 5.

Rank	Goal
	Avoid probate
	Reduce settlement costs
	Restrict the disposition of certain assets
	Provide financial support to my beneficiaries
	Reduce estate/inheritance taxes
	Leave a benefit to charity
	Appoint guardians to minor or special needs family members
	Provide a legacy to your heirs
	Ensure farm remains in family

Additional goals



What would you like to happen to your farm/ranch at your death?

Spouse 1:

Spouse 2:

How would you like the remainder of your estate to be divided at your death?

Please list any specific gifts/bequests you would like to make to your beneficiaries/charity:

Will your spouse have the financial resources to maintain the same lifestyle if you were to pass away?

Spouse 1 Yes No Not sure

Spouse 2 Yes No Not sure

Do you want to provide for special family goals or needs (e.g., college, travel, charity, disabled child, dependent parent, addictions, divorce, bankruptcies, etc.)? Please explain:

Business planning goals

Rank all goals that apply in order of importance.

Rank	Goal
	Pay off debt
	Reward and retain key employees
	Reduce income taxes
	Transfer ownership in the most efficient manner
	Protect against the loss of a key person
	Align business planning documents with goals and objectives
	Maintain the farm operation for generations to come
	Establish a retirement plan for your business
	Review existing business structure
	Other:

Additional goals

Key members of farm operation

Name: _____ Compensation: _____

Role: _____

Name: _____ Compensation: _____

Role: _____

Name: _____ Compensation: _____

Role: _____

Name: _____ Compensation: _____

Role: _____

Do you have any business entities associated with the farm?

Yes No If yes, please provide 2 years' tax returns and a balance sheet for each business.

Entity 1

Business name: _____

Business type: _____ Limited liability company, taxed as:

Sole proprietorship	S corporation
Partnership	C corporation

Who are the current owners of the business? _____

Have you established any governing documents for this entity, i.e., bylaws, operating agreement, etc.?

Yes No Not sure

Entity 2

Business name: _____

Business type: _____ Limited liability company, taxed as:

Sole proprietorship	S corporation
Partnership	C corporation

Who are the current owners of the business? _____

Have you established any governing documents for this entity, i.e., bylaws, operating agreement, etc.?

Yes No Not sure

Entity 3

Business name: _____

Business type: _____ Limited liability company, taxed as:

Sole proprietorship	S corporation
Partnership	C corporation

Who are the current owners of the business? _____

Have you established any governing documents for this entity, i.e., bylaws, operating agreement, etc.?

Yes No Not sure

Entity 4

Business name: _____

Business type: _____ Limited liability company, taxed as:

Sole proprietorship	S corporation
Partnership	C corporation

Who are the current owners of the business? _____

Have you established any governing documents for this entity, i.e., bylaws, operating agreement, etc.?

Yes No Not sure

Do you have a written buy/sell agreement in place?

Yes No Not sure If yes, please attach details.

Have you established a retirement plan through your business(es)?

Yes No Not sure If yes, please attach details.

Please check if you would like additional information about retirement plan options.

How will your role(s) in the operation change over time?

What would you like to happen to your farm operation upon your death, disability or retirement?

What would you like to happen to your farmland/real estate when you are gone?

What will need to happen for future generations to be successful (if applicable)?

My concerns about the farm/business are:

Retirement planning supplement

Please complete this section if you would like a retirement analysis. These are the only optional pages. All others are required.

Retirement income needs

Today:

Essential income needs: \$ _____ annually

Desired income: \$ _____ annually

Beginning at age: _____

Essential income needs: \$ _____ annually

Desired income: \$ _____ annually

At death of first spouse:

Essential income needs for surviving spouse: \$ _____ annually

Desired income for surviving spouse: \$ _____ annually

Retirement income sources

Social Security benefit information can be found at ssa.gov/benefits/retirement.



Spouse 1

Income source	Amount	Annual increase/decrease (% or \$)	Available to survivor	Start age/stop age
Rental/royalty income	\$			
Social Security benefits	\$			
Pension income	\$			
Farm income	\$			
Other income	\$			
Other income	\$			



Spouse 2

Income source	Amount	Annual increase/decrease (% or \$)	Available to survivor	Start age/stop age
Rental/royalty income	\$			
Social Security benefits	\$			
Pension income	\$			
Farm income	\$			
Other income	\$			
Other income	\$			

Long-term care insurance:



Spouse 1

Monthly benefit: _____

Premium: _____

Insurer: _____

Benefit duration: _____

Cash value: _____

Cost of living adjustment: _____



Spouse 2

Monthly benefit: _____

Premium: _____

Insurer: _____

Benefit duration: _____

Cash value: _____

Cost of living adjustment: _____

Assumptions

Spouse 1 life expectancy: _____

Spouse 2 life expectancy: _____

Inflation rate: _____

Assumed rate of return on assets: _____



Thank you for taking the time to complete these forms and gather the needed documents. We know it's a lot of work, but thoroughness now helps us develop the most detailed, accurate plan to meet your unique goals. We will work closely with you to deliver the best possible plan.



Return this completed workbook, along with all required documents, to your Land As Your Legacy[®] advisor.



• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

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