

## Getting Ready for Farm Estate Planning

by Katie Wantoch, Extension Dunn County Agriculture Agent

It's sometimes hard to consider, but not all sons and daughters are interested in carrying on the family tradition of farming. With more education and opportunities available, some farm-raised young adults opt for other careers, leaving farmers in a quandary about what to do with their farm- from the land that they own to the tractors in the machine shed.

Many people feel that estate planning is for the elderly, the wealthy, or is something they don't want to discuss because it focuses on death. No one knows what the future holds and so it is important that everyone have a plan.

Estate planning can be simple or very complex, depending on your assets and family situation. This should be a continuing project and the plan should be modified as your family circumstances change, assets change, and laws change.

### Estate Plan Objectives

Estate planning objectives have to do with accumulation, conservation, and transfer or distribution of assets.

Almost everyone is in one of those phases. If you don't yet have an estate, you're trying to accumulate one. If you've accumulated some assets and wealth, you're interested in preserving it and preservation is becoming more and more difficult. Others may be at a stage of life where they're interested in transferring their assets to those they love and care about.

Your estate plan should focus on three objectives. Those objectives are:

- To find the best possible options so that your assets will provide you with the necessary income and resources to live,
- To ensure that upon your death, your wishes are met and assets are provided to the people, and/or organizations you intended, and
- To minimize current and future costs, such as taxes and probate expenses.

### Number One Estate Planning Mistake

The top mistake observed by many professionals working with farm families in the estate planning process is procrastination. Farmers will often say, "We'll get to it one of these days."

As reported by Melissa O'Rourke, Iowa State University Extension farm and agribusiness management specialist, "Folks delay and put off taking the steps necessary to put

an estate and succession plan in place. They are unsure of what to do, who gets what - and believe there will be time to get the plan in place later. Particularly in farm families, there is indecision about how to carry on the family farm. Some people find themselves unable to make decisions about who should serve in the role of executor or trustee. Almost any estate plan is better than no estate plan at all. When a person dies without an estate plan in place, state law governs who receives assets and when. The lack of an estate plan may also result in higher expenses or taxes."

She suggests that you should identify what you own. When you take stock of the present, create checklists for each of these items: family members' names and relationship to you, location of important papers, bank accounts and insurance policies, assets (stocks, mutual funds, retirement accounts, real estate), liabilities (loans, credit card debt, mortgages), and miscellaneous.

After you have determined what you have, you are better able to develop objectives for your estate plan, choose a team of professionals to assist you with this process, and consider the documents that will complete this process for you.

### Shifting Gears for Your Later Years Workshop

Farmers and farm businesses have some unique characteristics that may not be addressed in general financial planning or retirement planning workshops. Shifting Gears for Your Later Farming Years is a two day workshop series designed specifically for farm families.

These workshops will be held on **Tuesdays, March 12 and 26, 2019 from 9 a.m. – 3 p.m.** Registration is \$30 for the first person from the farm; each additional person from the farm is \$10 if sharing materials. This registration fee includes materials and lunch for both workshops. Organizers encourage more than one person from the farming business to attend. Registration is limited to 30 people. Registration deadline is March 6, 2019.

You can find the workshop brochure, including registration forms, and additional information at our Extension Dunn County website, <http://dunn.extension.wisc.edu>, or by contacting Agriculture Agent Katie Wantoch at (715) 232-1636 or [katie.wantoch@ces.uwex.edu](mailto:katie.wantoch@ces.uwex.edu).

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