Documents On A Disk® Version 18.0

Version 18.0 of Documents On A Disk (DOD) contains 1,159 specimen documents organized into 196 document sets. In addition, the system contains 64 Flow Charts.

If you previously were licensed for version 17.0, you will notice we have added over 7 new document sets, and we've added over 100 new specimen documents. All of the documents from version 17.0 were reviewed and updated as needed as related to the Deferred Compensation Provisions of Section 409A as well as IRC Sections 101(j) and 6039I which were added to the Internal Revenue Code by way of the Pension Protection Act of 2006. (The "notice and consent" provisions of Section 101(j) affected over 100 document sets.)

Note: These changes make all previous versions of Documents On A Disk obsolete. Please be certain not to use any of the documents from previous versions.

The best way to review the general contents of DOD is by clicking on "Highlights Of The System" (the second menu item). For a review of all documents contained in the System, click on "List Of All Document Names" (the first menu item).

One very important feature of DOD is:

You can export any document electronically to another party (for example, as an e-mail attachment to a client's attorney). Most attorneys appreciate electronic copies in addition to hardcopies so they can edit text without having it all re-typed. To export a file, be sure the specific file you want to export is highlighted and use "File/Export As" from the Toolbar.

Highlights of Version 18.0

1. **<u>IRA Loan to Charity</u>:** Perhaps the most exciting new use of a self-directed IRA, PLR 200741016 concludes that a IRA-life insurance combination is not a prohibited transaction that would cause the IRA involved to be disqualified under Section 408(e)(2) and that the investment in life insurance by a charity generated through loans from the IRA will not be a prohibited investment in life insurance under Code Section 408(a)(3). *This is a new document set likely not available elsewhere, and it includes Highlights of the Plan, Technical Preface, Agreements, Client Letter, and Checklist.*

2. **<u>Executive Trifecta</u>:** This arrangement is available for both owners and key executives of <u>C Corporations</u> (public and private), <u>S Corporations</u>, <u>Limited Liability Companies</u>, and <u>Partnerships</u>. During pre-retirement years, the plan provides key executive coverage split between a portion used to indemnify the business and a portion used to provide death-benefit-only survivor income for the insured's family. For post-retirement years, it provides for a contractual rollout of the policy to the insured. Included are specimen documents for all four business entities noted. *This includes new documents for <u>S Corporations</u>, <u>Limited Liability Companies</u>, and <u>Partnerships</u> including Highlights of the Plans, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.* Executive Trifecta avoids the Final Split Dollar Regulations, i.e., it is not split dollar, as well as Sarbanes-Oxley, i.e., public companies can use it. (This arrangement can be illustrated in Version 15.0 of the InsMark Illustration System.)

3. **<u>Loan-Regime Executive Bonus</u>:** This concept couples the tried and true executive bonus plan (single bonus) with a loan to cover the income tax on the bonus. It provides a zero out-of-pocket cost for the executive and reduced employer costs since a gross-up bonus is not required. *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.*

4. **<u>Deferred Compensation using Loan Regime (For-Profit Organizations)</u>:** Essentially an equity split dollar plan that complies with the Final Split Dollar Regulations, this salary forfeiture arrangement coupled with loan-based split dollar trades a compensation reduction for executive-owned cash values and tax free retirement cash flow. <u>The charge to earnings for the sponsoring employer is extremely low.</u>

In most years (including early years), there is a credit to earnings. *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.* (This arrangement can be illustrated in Version 4.1 of the InsMark Loan-Based Deferred Compensation System.)

5. Deferred Compensation using Loan Regime (Tax Exempt Organizations): Essentially an equity split dollar plan that complies with the Final Split Dollar Regulations, this salary forfeiture arrangement coupled with loan-based split dollar trades a compensation reduction for executive-owned cash values and tax free retirement cash flow. The charge to earnings for the sponsoring employer is typically negative in all years. *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.* (This arrangement can be illustrated in Version 4.1 of the InsMark Loan-Based Deferred Compensation System.)

6. Deferred Compensation Document Updates: These update the impact of IRS Notice 2008-34 (409A and Split Dollar), IRS Notice 2008-62 (Substantial Risk of Forfeiture in 457(f) plans), and IRS Notice 2008-78 (2008 Transition Relief and Application of 409A to Non-Qualified Deferred Compensation).

7. COLI Document Updates: These include revisions of all Notice and Consent documents to add a signature line for agent and insured in order for all parties to confirm completion of these important documents.

8. Certification of Trust: This is a document signed by an authorized trustee that verifies the validity of a trust and specifies the parties and certain key provisions. It is used to provide information about a trust to other than a beneficiary instead of furnishing a copy of the entire trust instrument. It is likely usable when highly confidential trust provisions are present as well as with life insurance companies where trust ownership is involved. *This is a new document set including Highlights of the Plan, Technical Preface, and Certification of Trust.*

9. Sole Proprietor Trusteed Buy-Sell: *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.*

10. Cohabitation Agreement: *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.*

11. Domestic Partner Trust: *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.*

12. Employment Agreement: *This is a new document set including Highlights of the Plan, Technical Preface, Resolution, Agreement, Client Letter, and Checklist.*

13. All Split Dollar Document Sets: Summary Letters and Checklists added.

14. All Corporate Resolutions: Updated due to changes in tax law.

15. Private Annuity: Updated due to changes in tax law.

16. Family Limited Partnerships: Updated due to changes in tax law.

17. Special Files: Updated due to changes in tax law.

18. IRS Resources: List of publications, forms, website, etc. PDFs of Key Publications, Forms, and Instructions. *There are 20 new documents.*

Documents On A Disk System for Windows requires: IBM-compatible computer; Pentium or higher processor; Windows 95, Windows 98, Windows 2000, Windows NT, Windows ME, Windows XP, or Windows Vista; at least 35 MB of available hard disk space; 64 MB of installed RAM; CD-ROM drive.

The system is compatible with all Windows–compatible printers.