

Documents On A Disk[®] Version 19.0

Version 19.0 of Documents On A Disk (DOD) has massive content (1,182 specimen documents organized into 208 document sets plus 68 Flow Charts).

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 19.0

1. **Modified Technical Prefaces in Business Buy-Sell Plans, Key Executive Plans, Executive Bonus Plans, Employer-Sponsored Split Dollar Plans, COLI Benefit Plans, Multi-Life Benefit Plans, Severance Pay Plans** (55 revised documents). Updates were made in the Technical Prefaces of several documents sets to incorporate recent IRS guidance on non recourse split dollar loans and COLI.
2. **Modified Trust Agreements in Irrevocable Trusts, Irrevocable Incentive Trusts, Irrevocable Total Return Unitrusts, Irrevocable Incentive Total Return Unitrusts, Special Needs Irrevocable Trust (for Disabled Children), Beneficiary’s Trust (also known as an Inheritor’s Trust)** (27 revised documents). Provisions were inserted in all life insurance trust (ILIT) specimen documents that would make the ILITs grantor trusts for income tax purposes.
3. **Executive Trifecta for Key Executives and Directors of Non-Profit Organization**
 - Executive Trifecta for Key Executives and Directors of Non-Profit Organization (10 new documents); Flow chart added as well. Executive Trifecta for a Non-Profit Organization delivers three, very powerful, sequential benefits: (1) Selected key executives or directors are insured in favor of the employer thereby providing indemnification to the employer for losing a key person; (2) Each insured executive is provided with employer-paid survivor income benefits should death occur while employed, and (3) At the executive’s retirement, disability, or involuntary severance from employment without cause, the life insurance policy is transferred to the participating Executive (typically as a deferred bonus) thereby creating a supplemental retirement asset. After the policy transfer, any payment of the life insurance death benefit is made directly to the executive’s personal beneficiaries. This document set contains a specimen Executive Trifecta Agreement with supporting materials.
4. **Key Employee Insurance Plans**
 - Transfer of Key Executive Policy to Insured (3 new documents). An employer-owned key executive life insurance policy can be transferred to an insured executive, either by sale or distribution from the business as compensation or a dividend. This new document set contains a corporate resolution that authorizes transfer of the policy to the executive and supporting materials that discuss the legal and tax implications of doing so.
5. **Executive Bonus Plans**
 - Leveraged Executive Bonus (With Loan Regime Collateral Split Dollar to Pay Tax on Bonus-Unrestricted Access) (10 revised documents). This document set provides a specimen bonus arrangement in conjunction with a loan regime split dollar arrangement to pay the employee’s tax due on the bonus. The employee’s access to the policy’s cash values is unrestricted.
 - Leveraged Executive Bonus (With Loan Regime Collateral Split Dollar to Pay Tax on Bonus – Restricted Access) (12 new documents); Flow chart added as well. This document set provides a specimen bonus arrangement in conjunction with a loan regime split dollar arrangement to pay the employee’s tax due on the bonus. The employee’s access to the policy’s cash values is restricted.

6. Employer-Sponsored Split Dollar Plans

- Economic Benefit Endorsement Split Dollar with Designated Death Benefit (10 new documents). This document set provides a specimen split dollar agreement that allows an employer and insured employee to designate all (or a portion of) the death benefit under an endorsement split dollar arrangement to the employee's designated beneficiary, provided the appropriate term cost is paid the employee.
- Loan Regime Collateral Assignment Split Dollar (for Minority Stockholders and Key Employees) – Restricted Access to Cash Values (12 new documents). Flow chart added as well. This new document set provides a specimen loan regime split dollar arrangement where the employee's access to the policy's cash values is temporally restricted.
- Loan Regime Collateral Assignment Split Dollar (for Minority Stockholders and Key Employees) – Unrestricted Access to Cash Values (11 revised documents). This document set provides a specimen loan regime split dollar arrangement where the employee's access to the policy's cash values is unrestricted.

7. Self-Canceling Installment Note (SCIN)

- GRAT/SCIN Combination (7 new documents). Investors often buy non-correlated investments as a hedging technique, so that if one investment goes down in value, the other investment may remain stable or go up in value. Sometimes, life insurance is used as hedging device because it guards against premature death and is generally non-correlated with other investments. However, where insurance is not available to create a mortality risk hedge, it is possible to use a combination of a self-cancelling installment note (SCIN) and a Grantor retained annuity Trust (GRAT) to create a type of transfer tax hedging technique. This document set provides specimen documents and supporting materials for a GRAT/SCIN hedging arrangement.

8. Retirement Planning Documents

- IRA Beneficiary Designation – Charitable Remainder Trust as Beneficiary (5 new documents). This new document set contains a specimen IRA Beneficiary Designation Form with supporting materials that allows the IRA owner to designate a charitable remainder trust as the IRA beneficiary when the IRA owner dies.

9. Corporation Health Plans

- Long-Term Care Insurance Plan (5 revised documents). Revisions to this document set incorporate accident and health insurance deductions for self-employed individuals, partners, and S corporation owners as discussed in IRS Notice 2008-1.

10. Employment Agreements

- Employment Agreement for Key Executive (5 new documents). This specimen document and supporting materials allow an Employer and Executive to define the terms and conditions upon which an employment arrangement is offered, accepted, continued, and terminated. It identifies the parties and their respective duties and obligations.

11. Revocable Trusts

- Revocable Trust with Qualified Terminable Interest Property (QTIP) Provision (5 new documents). A QTIP trust allows an estate owner to provide lifetime income to a spouse and control the ultimate disposition of the QTIP property, while still qualifying the transfer for the marital deduction. This document set provides specimen documents and supporting materials for a QTIP provision in a revocable living trust.

12. Other Trusts

- GRAT/SCIN Combination (7 new documents). This document is the same as Item 7 above and will be located in two places in the system under "Self-Canceling Installment Note" and "Other Trusts".

13. Client Letters

- Year-End Tax Planning (3 revised documents). This letter gives a brief overview of year-end tax planning strategies. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss certain conceptual and technical aspects of year-end tax planning.

- Irrevocable Life Insurance Trust (ILIT) Gifting Strategies (3 new documents). This letter gives a brief overview of gifting strategies for contributing premium dollars to ILITs. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss certain conceptual and technical aspects of making direct and discounted gifts to ILITs.
- Charitable Gifting Strategies (3 new documents). This letter summarizes available tax advantages and gives a brief overview of strategies for making tax-advantaged gifts to charity. It is accompanied by Highlights of the Plan and Technical Preface documents that discuss certain conceptual and technical aspects of charitable giving.

14. Charitable Trusts

- Super Charitable Lead Annuity Trust (CLAT) (5 new documents). This document set provides a specimen Super CLAT, with supporting materials. A Super CLAT is a Charitable Lead Annuity Trust that is a grantor trust for income tax purposes, but the Donor's status as Grantor does not cause the remainder assets in the trust to be included in the estate of the Donor/Grantor. This permits the Donor to obtain an income tax deduction for contributions to the trust, make discounted gifts to family members who will receive the property at the end of the CLAT term, and keep the CLAT assets out of his or her estate.

15. Special Files

- Federal Estate and Gift Tax Rates and Credits (revised). This document has been updated to reflect adjustments in estate, gift, and generation-skipping tax credits, deductions, and exclusions to reflect annual cost-of-living increases.
- New Life Insurance Valuation (new). This "Special Files" document contains a summary of the rules that apply to life insurance valuation.
- New Federal Income Tax – Certain Inflation-Adjusted Limits (new). This new document has been added to reflect adjustments in certain income tax rates, credits, deductions, and exclusions and reflects annual cost-of-living increases.