
Land As Your Legacy®

A step-by-step guide to transition
planning for farmers and ranchers



It's your land.
You should choose
who inherits it.





Transition planning may seem like something only the wealthy need to worry about, but it's really just a way to ensure that your home and other assets are distributed the way that you want after you're gone.

And the need for a transition plan is especially important for farmers and ranchers — many of your assets are tangible items such as land, livestock or equipment which may be difficult to divide evenly among heirs or sell to help pay off taxes and expenses.



What's inside

This brochure is designed to answer some common questions you may have about transition planning, such as:

.....
WHO SHOULD HAVE A TRANSITION PLAN?
.....

HOW DOES TRANSITION PLANNING HELP?
.....

HOW DO YOU GET A TRANSITION PLAN IN PLACE?
.....

WHAT ELSE DO YOU NEED TO KNOW BEFORE GETTING STARTED?
.....

HOW CAN NATIONWIDE® AND YOUR LAND AS YOUR LEGACY ADVISOR HELP?
.....



Who should have a transition plan?

Anyone, regardless of net worth, who wants a say in how their assets are handled after they're gone should have some sort of plan in place. To determine if transition planning is right for you, review the following questions.

If something were to happen to you:

Could your family maintain the farm or ranch, or would they need to sell it to pay final debts, taxes and administrative expenses?

If they sold off a portion of the land to pay expenses, what would happen to the rest of the property?

Who would care for your minor children or aging parents?

Would your spouse and children have the financial resources they need?

Who will handle the settlement of your estate?

Do you currently have a plan in place to help minimize estate and inheritance taxes, probate fees and other administrative costs?

If you're unsure of the answer to any of these questions, then you and your family may benefit from transition planning. Without it, state laws will dictate what happens to your farm or ranch after you're gone — which can lead to unnecessary stress, delays and expenses for your family.



How does transition planning help?

A transition plan is simply a way of coordinating all your wishes into one plan and will include things such as business succession and estate planning.

A carefully designed transition plan will:

Provide financial independence for yourself and your family now and in the future

Reduce income, gift or estate taxes and various estate settlement costs

Eliminate conflict or even bitter quarrels between surviving family members


Provide property management for younger family members or those who are older and can no longer manage their own financial affairs

Split your assets fairly between farming and nonfarming children

Keep your farm or ranch in the family and prevent a forced sale to pay estate taxes or other expenses

Designate a guardian for minor children

Designate an executor to carry out your wishes



How do you get a transition plan in place?

Create a plan that works for you

Our 3-step approach can help

Fact gathering.

Some people may find it difficult, but talking to your family about your goals and concerns is the first step in the planning process. You may discover you have some difficult decisions to make, but it's better to make them now than have someone else make them for you later.

The hardest part of this step is usually getting the conversation started. So, try mentioning things you've read — books, articles or other publications — or a seminar you've attended. They can help break the ice and explain the need for a plan.

Another option is to use our Transition Checklist for Farmers and Ranchers, which you can get from your insurance professional. It has a short list of “yes/no” questions that are important to the planning process. Having family members answer the questions from their own perspectives can help identify potential issues that need to be addressed.

It's important to choose a good transition planning team early on because it makes the rest of the steps so much easier. Your team should consist of attorneys, accountants, insurance professionals and other advisors who can:

- Address issues unique to farmers and ranchers
- Provide comprehensive solutions
- Keep up with changes in state and federal laws

Nationwide and your Land As Your Legacy advisor are your transition planning team and they are here to guide you through the process and make sure all your needs are being met. But remember, this is your plan and you're the one in charge.

The next step is to find out where you are financially. Your transition planning team will compare it against where you want to go and help you choose the right path for getting there.

They'll help you gather all the needed information about your unique situation—including your assets, liabilities and details of who owns what on your farm or ranch—and will compile it in one convenient location.

Plan development.

After reviewing where you are, your transition team will need to know where you want to go. To help you get started, we've listed some common planning goals below. Your transition planning team will use these answers to help determine the right plan for you and your family. Remember, no two transition plans are the same. Your plan will be unique to your needs and goals.

Check the ones that are important to you and your family and list any we've missed. Then rank them in order of importance.

	RANK	GOAL		RANK	GOAL
<input type="radio"/>	_____	Provide financial independence for my spouse.	<input type="radio"/>	_____	Help pay final taxes and estate settlement expenses.
<input type="radio"/>	_____	Relieve my spouse of estate settlement responsibilities.	<input type="radio"/>	_____	Provide for my family members in a fair manner.
<input type="radio"/>	_____	Provide independence for myself and my spouse during retirement.	<input type="radio"/>	_____	Give specific assets to my family members.
<input type="radio"/>	_____	Retire at age _____.	<input type="radio"/>	_____	Make gifts to family members or others during my life.
<input type="radio"/>	_____	Provide financial independence for an incapacitated family member.	<input type="radio"/>	_____	Reduce income taxes.
<input type="radio"/>	_____	Assure continuity for my farm or ranch.	<input type="radio"/>	_____	Provide for a favorite charity or nonprofit organization.
<input type="radio"/>	_____	Pay for the education of my family members.	<input type="radio"/>	_____	Review current ownership structure of my farm or ranch.
<input type="radio"/>	_____	Help my family members, including in-laws, get started in the business.	<input type="radio"/>	_____	Protect against depletion of my assets because of illness or injury.
<input type="radio"/>	_____	Reduce estate and inheritance taxes.	<input type="radio"/>	_____	Protect my farm or ranch from the impact of divorce, creditors or family disputes.
<input type="radio"/>	_____	Appoint guardians or trustees for my minor children.	<input type="radio"/>	_____	Other:
<input type="radio"/>	_____	Select the executor of my estate.			



Implement plan.

In a follow-up meeting, your transition planning team will likely show you several ways to achieve your goals. You should expect a full explanation for each one, along with a discussion of any consequences associated with it. They should also offer an implementation strategy for quickly getting your selected plan into place.

It may be a good idea to take your family members along to this meeting. They'll be able to hear the suggestions first hand and act as a sounding board to help balance your current needs with those of your heirs.

Your transition plan will need to be reviewed from time to time to ensure it's still meeting your needs. Generally, your plan should be reviewed:

- Every three to five years
- When your personal or financial situation changes
- If tax laws change

Just call the appropriate team member for an appointment. Together, you can decide if changes to your plan are necessary.



Here are some things you should know before getting started.

Federal tax laws are complex and subject to change. The information we've included in this brochure is based on current interpretations of the law and is not guaranteed. And since neither Nationwide nor its representatives give legal or tax advice, you should consult your attorney or tax advisor for answers to your specific questions.

Also, the protections and guarantees mentioned in this brochure are based on the claims-paying ability of the issuing insurance company, so it's important to work with a financially sound company.



Here's where Nationwide[®] comes in.

Nationwide has a special, long-term relationship with agriculture

- Nationwide began in 1926 as the Farm Bureau Mutual Insurance Company; Ohio Farm Bureau leaders created it to provide automobile insurance at lower rates for Ohio farmers, who drove less and had fewer accidents than city residents
- Nationwide Agribusiness is the leading insurer of farms and agricultural cooperatives in the United States
- Nationwide remains committed to serving the agricultural community:
 - Nationwide's board of directors includes a substantial number of farmers and agricultural cooperative leaders
 - Nationwide's board also maintains the Nationwide Board Council, which is an advisory group of agricultural and cooperative industry leaders
 - Nationwide also actively supports agricultural organizations, including those that foster future leadership like 4-H and Future Farmers of America

So, schedule some time today to talk to a Land As Your Legacy Advisor about whether transition planning is right for you and your family.





Nationwide®

Life insurance is issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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

Nationwide, the Nationwide N and Eagle, Nationwide is on your side and Land as Your Legacy are service marks of Nationwide Mutual Insurance Company. © 2014.

LAM-1111AO.3 (09/14)