

FARM AND RANCH SUCCESSION WORKSHOP

Retirement Planning 101

and

Transferring the Business

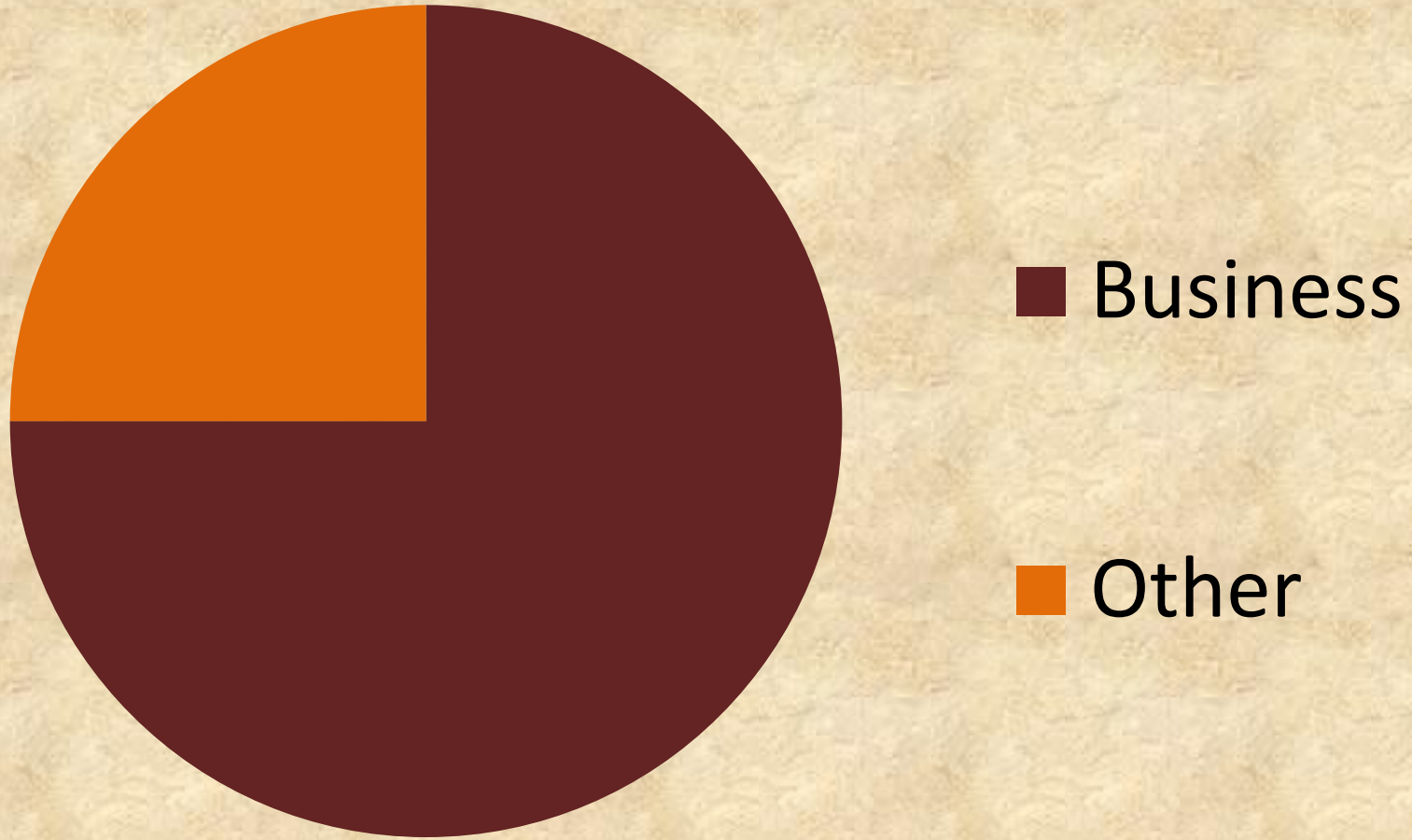
May 17, 2012

INTRODUCTION

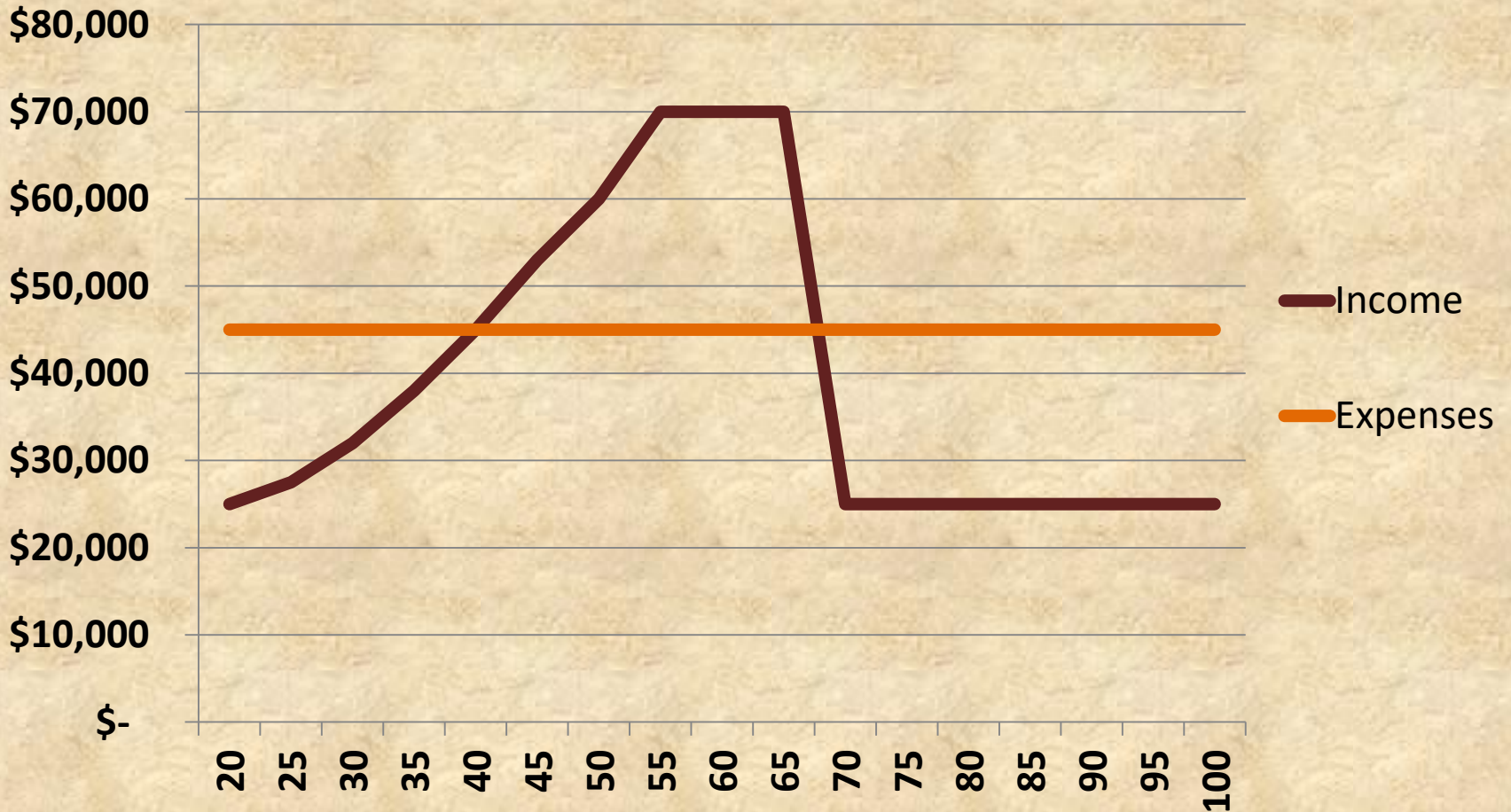
“There are three kinds of men: The ones that learn by reading. The few who learn by observation. The rest of them have to pee on the electric fence and find out for themselves.”

Will Rogers

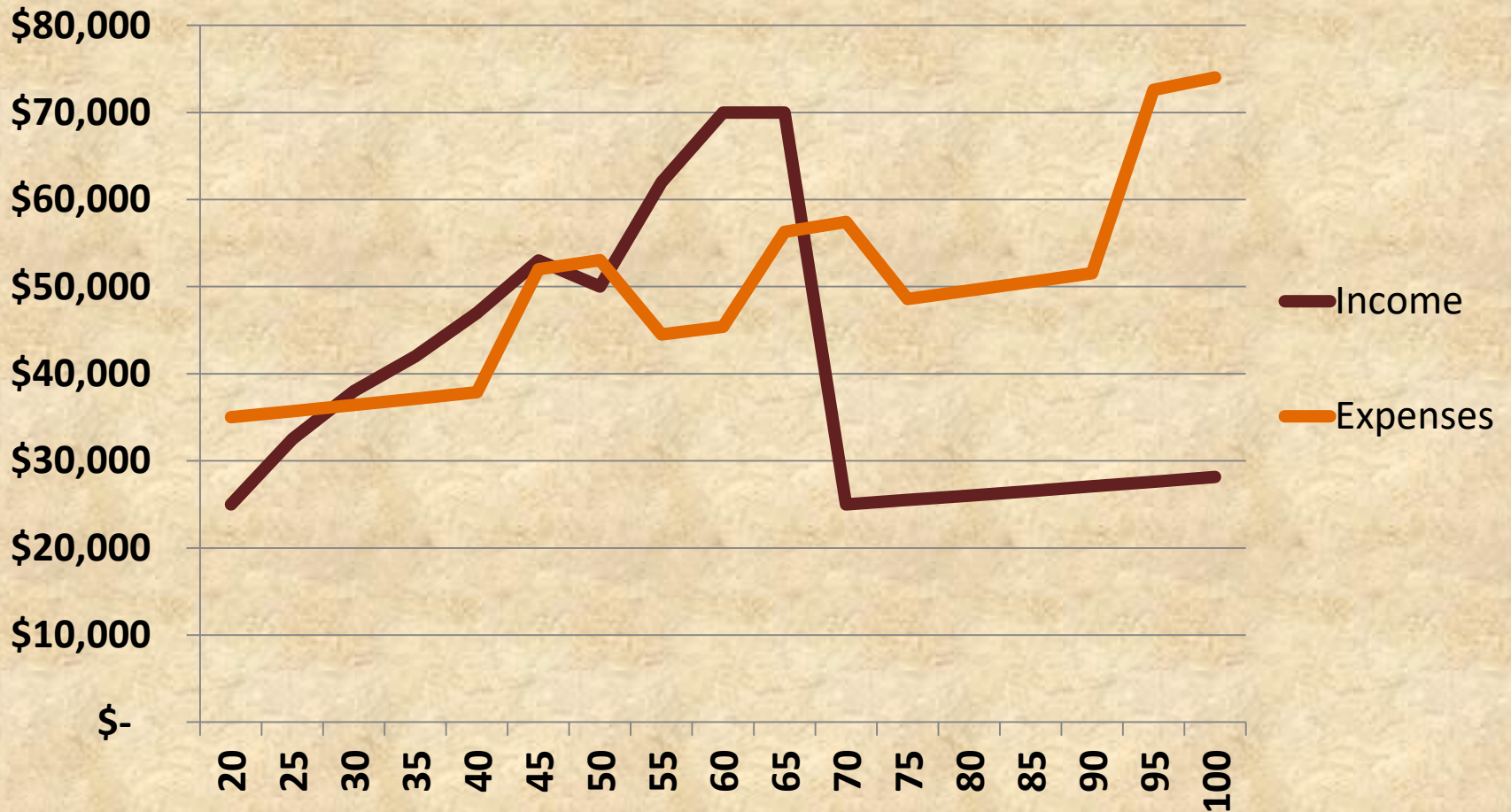
INTRODUCTION



RETIREMENT PLANNING 101



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Home Care [?]	Annual Cost	5-yr Annual Growth ³
Homemaker Services ²	\$ 53,516	1%
Home Health Aide ²	\$ 56,628	2%
Adult Day Health Care [?]		
Adult Day Health Care ¹	\$ 21,840	0%
Assisted Living Facility [?]		
Private, One Bedroom ⁴	\$ 46,200	4%
Nursing Home [?]		
Semi-Private Room ⁵	\$ 94,535	5%
Private Room ⁵	\$ 110,595	4%

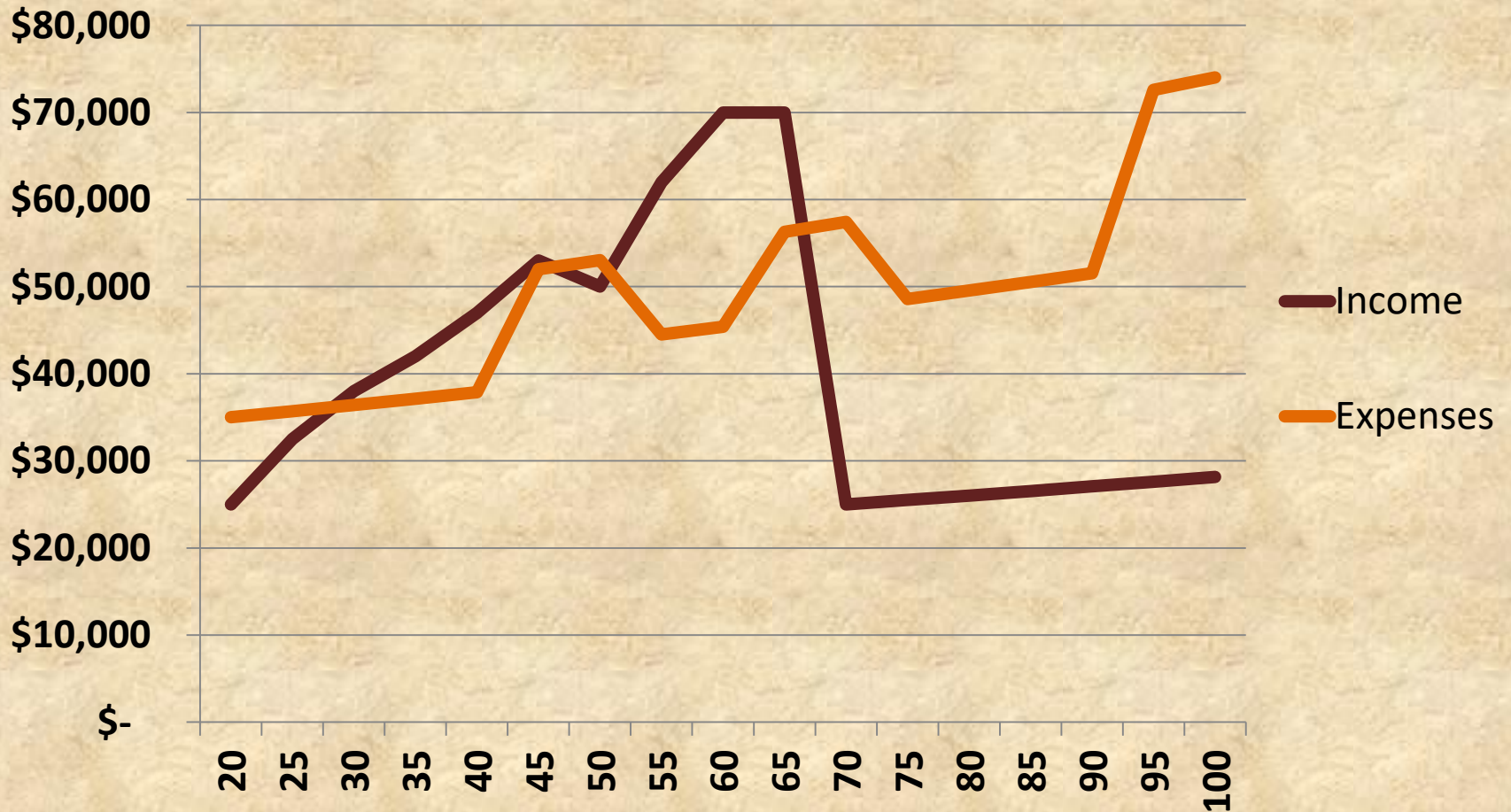
From www.genworth.com 2013 Cost of Care East Bay, CA

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Nursing Home, 5% inflation

Current	\$110,595/year
10 years	\$180,147/year
20 years	\$293,441/year

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Ways to Increase Pre-Retirement Savings

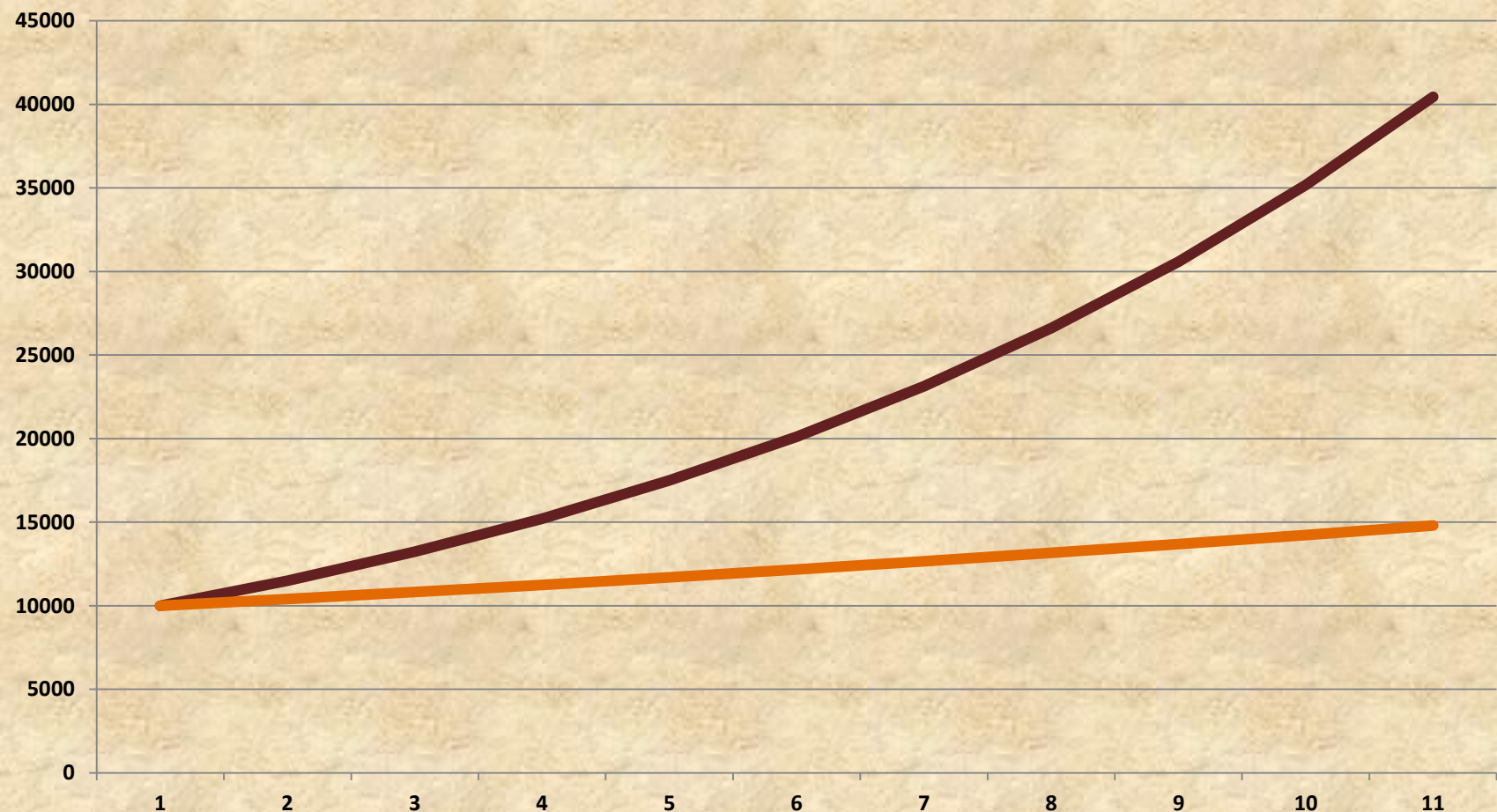
- Reduce Expenses
- Improve Income
- Improve Investment Returns
- Sell Assets

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Conservation Easements

- Reduces value of estate
- Provides current liquidity
 - Donation
 - Sale
 - Bargain Sale

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Tax Efficient Savings Vehicles

- Individual Retirement Accounts
- 401(k)
- Defined Benefit Plans

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“You can’t always get what you want”

Mick Jagger

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Are you prepared for the 4 D's?

- Done
- Disagreement
- Disability
- Death

TRANSFERRING THE BUSINESS

Buy/Sell Agreements

- Orderly Transfer of Business
- Predetermined Price & Terms
- Ability to Provide for “Other” Heirs

TRANSFERRING THE BUSINESS



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TRANSFERRING THE BUSINESS

Future Ownership of the Business

- One or Many?
- Ownership and Operations?
- “Other” Stakeholders
- Entity selection

TRANSFERRING THE BUSINESS

What's the Deal?

- Easement
- Gifts
- Sale
- All of the above?
- Timing

TRANSFERRING THE BUSINESS

Future of the Business

- Operations & Management
- Skill Development
- Support

CONCLUSION

***"Even if you're on the right track, you'll
get run over if you just sit there."***

Will Rogers

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