

The CROAK

BOOK



After I'm gone

By: James A. Steinback

L3 LIVES OF
LEADERSHIP
& LEGACY

IT'S DONE
Administrative Services

After I'm gone

THE CROAK BOOK

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ABOUT THE AUTHOR

L3 member Jim Steinback served for more than three decades as president of Magnecraft & Struthers-Dunn, an innovative electro-controls firm founded by his father in the 1950's.

Jim and his wife, Joanne, believe that talent and potential should not be lost because of emotional or learning disabilities.

As co-chair of the Foundation for the Educational Development of Children, which is dedicated to supporting two special schools for high IQ youngsters with such disabilities, Jim has helped build assets of \$40 million.

Joanne's commitment to the two schools supported by the Foundation stems from her 25-year career as an educator, including 20 years teaching special needs children. Today, she also serves on the Board of both schools. For many years, Joanne also contributed her professional expertise as a board member of the Irene Josselyn Clinic, which provides comprehensive mental health services to low income families. Her long-time concern and contributions to mental health issues have been recognized in the community. She was recognized as Volunteer of the Year by North Shore Magazine.

The Steinbacks' real Croak Book has a 3" spine and 12 sections. Jim reviews and updates it annually.



"I call it the Croak Book, because this is what my spouse will turn to after I croak."

— Jim Steinback

FROM JIM STEINBACK

Something unprecedented is happening in human history.

The number of adults over 60 on this planet has exceeded the number of children under 5.

And living longer doesn't mean more years of bad health; though nobody knows exactly why, the rates of disability in old age have been declining. Life expectancies in the US have been going up by 2 to 3 months every year since 1900; as a result, the number of centenarians in the U.S. began to double every decade. Hallmark now sells more than 85,000 100th birthday cards each year!

Still, we're not going to live forever. That's what this book is about: getting all those things that make up your net worth organized for those you will inevitably leave behind.

It's written primarily for high net worth individuals with grown children. It's not about tax avoidance and it's not about deciding how your assets will be distributed after you're gone. It is about creating a single 3-ring binder that enables your spouse, your executor, your trustee and your heirs to understand, with minimal effort, what you have, where it is, and what you want done with it. If you're currently under the impression that your will already does this, then I respectfully suggest you re-read it. You'll find that it does not.

Gribbet,
Jim Steinback
jim@steinback.com

SECTION 1

Important Last Words

This section includes a generic version of my final letter to my wife. The document is organized to inform her who our advisors are and her obligations and non-obligations with respect to our children. It summarizes our life insurance coverage. It summarizes our Social Security and Retirement assets. It identifies all bank and brokerage accounts. It tells her where she'll find the titles to our residences as well as a summary of the improvements to those residences. It summarizes by account our common stock investments and our other investments, along with the names and phone numbers of people to contact in order to re-title them these other investments or sell them. And lastly, it directs her to whom to give my personal effects, to whom to give annual gifts and it identifies those who I want to be my pallbearers.

If it's the intent of your estate plan to use up your lifetime exemption upon your death, then you can use this letter to designate which specific assets you want given to whom. And even though it may be in your will, you can use this letter to amplify your philanthropic intentions and your intentions for your organs. A family history can also be attached. And if you have a business, you can use the letter to confirm who you have designated to run it or who is to dispose of your interest. And yes, in our real Croak Book my spouse has written a similar letter to me.

Section One also contains "General Information" such as passwords. It also contains business cards for all of our advisors. It's your responsibility to make sure this information is current. This includes your estate attorney, your CPA, your stock broker, the agent for your life insurance policies and your Executor or Trustee. It can also be expanded to include contact information for all family members and beneficiaries.

SAMPLE LETTER TO SPOUSE

Dear Joanne,

Now that I'm gone, here's what you need to know and do. Your advisors will help, but you're now the boss. This letter will serve as your roadmap for getting thru the transition period from you and me being in charge to just you being in charge. As you know, our affairs are already in good order, but even so there's work to be done... and I know that you'll manage it beautifully.

With respect to PROFESSIONAL ADVISORS:

You're the Trustee of my estate; *A* is the successor. Trustee. *B* is the Attorney and *C* will work with you to compile the estate tax return and will subsequently prepare your annual returns. All their business cards are in Section 1.

THERE ARE NO ESTATE TAXES DUE UPON MY DEATH.

With respect to RESIDENCES: See Section 2.

Both homes are already titled to you via your living Trust. The deeds and title insurance are in a fire-proof safe in my closet. I've kept a running total of all improvements to each house. This summary is also in Section 2. If you sell the houses, show this file to *C* for him to compute capital gains. If needed, the spreadsheets itemizing all improvements are in my laptop under MY DOCUMENTS, filed numerically by address. *A* will have no trouble finding them.

With respect to ACCOUNTS: See Section 3.

All bank accounts and brokerage accounts that can be consolidated have been consolidated. See Section 3 for a complete list of our accounts, the names of the institutions, the account numbers, and contact info for the persons to call.

With respect to STOCKS & OTHER INVESTMENTS: See the BALANCE SHEET also in Section 3.

All stocks are in Broker account *AAA*, which is already in your name. Dividends have historically stayed in the account, but you're free to take whatever you need. This portfolio won't need much attention, but *B* will serve as your investment advisor. You, me and he have discussed this and he accepts this responsibility.

Titled to my Trust are investments in commercial real estate. Again, see our BALANCE SHEET in Section 3 for specifics. Each real estate investment pays quarterly dividends which are automatically deposited in your bank account. These investments are currently titled to my trust. You must now have each of them re-titled to yours.

With respect to LIFE INSURANCE: See Section 4.

We have \$*X* last-to-die insurance thru *XYZ* Company and *S* is the agent. The premium is \$*X*/yr and must continue to be paid for the rest of your life. The policy expires the day before your 101st birthday. So try not to live longer or all premium payments will have been wasted...

Assuming you die before you're 101, the death benefit, as you wanted, will go into a generation-skipping trust with our grandchildren as equal beneficiaries. The policy is already owned by the trust and *A* is the trustee.

With respect to CHILDREN: See Section 5 containing documents pertaining to *E* and *A*.

Unless you wish to do so, there's no need to gift any assets to either. Thanks to us and their own efforts, they're already in good shape, and they'll inherit more when you're gone. As a general statement, you don't have to do anything for our sons or anyone else unless it feels right and you want to do it.

With respect to PHILANTHROPY: See Section 5

The document for the charitable lead trust is in Section 6. The account number is *BBB* and is at Broker *M*. As we've been doing, you need to continue giving away \$*Y*/yr to the organizations which have been important to us. The checkbook is in the top drawer of my desk. After your death, what's left will be divided equally between our children.

With respect to WILLS AND TRUSTS: You will find this in Section 6.

With respect to SOCIAL SECURITY & RETIREMENT ASSETS: See Section 8.

As soon as possible apply for social security widow benefits. You'll need to provide a copy of our marriage certificate, and you'll find it in this section. Last I looked, you were entitled to about \$X/mo. Copies of the SS statements for you and me are in this section.

Convert my retirement account at Broker C into your name. The latest statement is also in Section 8.

Take what you need, but whatever you don't use will be part of our designated charitable donations after you're gone.

With respect to TITLES: See Section 9.

With respect to PERSONAL PROPERTY:

Designate A to sell my vehicles or let him keep and enjoy. I'd like you to have my ring. Please pass it on to A.

I hope you'll find someone who will appreciate my books, but offer to V first. I'd like E to have my watches.

Give all my model cars and motorcycles to A. Also give my laptop to A. As the family historian, there are files under My Documents he'll appreciate. My passwords are in Section 1 of the Croak Book.

Please give \$X/yr to JZ for as long as she lives and \$Y/yr to RS for as long as she lives. If either refuses, give it to them anyway and tell them to make a donation to their favorite charity.

I'd like my pallbearers to be B, A, C, & V. Info on our cemetery plots is in Section 10. If they're willing, I'd like the following to speak at my funeral...A, J, & V.

Jo, of all the decisions I ever made, you were the best. You helped me thru the tough times and the good times wouldn't have been any good had you not been there beside me. I miss you already.

Love,
Jim

GENERAL INFORMATION

SPOUSE 1: _____

Please make a copy of your passport and driver's license and keep them here.

I do ___ do not ___ have a safety deposit box. It can be found at _____
and the key can be found at: _____

The following individuals have signature authority: _____

I do ___ do not ___ have a personal safe. The combination is _____

The safe can be found at _____

The code to my phone is _____ The password to my computer _____

My email address is _____ and the password is _____

Other usernames passwords _____

I have ___ have not ___ attached a list of those I want to receive my personal property after I'm gone.

I may receive an inheritance from _____

I am ___ am not ___ a beneficiary of a trust.

If I am a beneficiary, the benefit is and the trust document is located at: _____

My social security # is: _____

My driver's license # is: _____

My passport # is: _____ It can be found at _____

I am ___ am not ___ entitled to military and/or governmental benefits.

List of these benefits: _____

I am ___ am not ___ entitled to other benefits.

List of these benefits: _____

I am a member of the following religious group: _____

I am a member of the following fraternal and alumni groups: _____

I am ___ am not ___ an organ donor.

I would like people to make a contribution to _____ in lieu of sending flowers.

GENERAL INFORMATION

SPOUSE 2: _____

Please make a copy of your passport and driver's license and keep them here.

I do ___ do not ___ have a safety deposit box. It can be found at _____
and the key can be found at: _____

The following individuals have signature authority: _____

I do ___ do not ___ have a personal safe. The combination is _____

The safe can be found at _____

The code to my phone is _____ The password to my computer _____

vMy email address is _____ and the password is _____

Other usernames passwords _____

I have ___ have not ___ attached a list of those I want to receive my personal property after I'm gone.

I may receive an inheritance from _____

I am ___ am not ___ a beneficiary of a trust.

If I am a beneficiary, the benefit is and the trust document is located at: _____

My social security # is: _____

My driver's license # is: _____

My passport # is: _____ It can be found at _____

I am ___ am not ___ entitled to military and/or governmental benefits.

List of these benefits: _____

I am ___ am not ___ entitled to other benefits.

List of these benefits: _____

I am a member of the following religious group: _____

I am a member of the following fraternal and alumni groups: _____

I am ___ am not ___ an organ donor.

I would like people to make a contribution to _____ in lieu of sending flowers.

ADVISORS' CONTACT INFORMATION

Estate Attorney

Name: _____

Address: _____

Phone: _____

Email: _____

Insurance Agent

Name: _____

Address: _____

Phone: _____

Email: _____

Trustee

Name: _____

Address: _____

Phone: _____

Email: _____

Stock Broker

Name: _____

Address: _____

Phone: _____

Email: _____

CPA

Name: _____

Address: _____

Phone: _____

Email: _____

Other: _____

Name: _____

Address: _____

Phone: _____

Email: _____

Other: _____

Name: _____

Address: _____

Phone: _____

Email: _____

Other: _____

Name: _____

Address: _____

Phone: _____

Email: _____

SECTION 2

Summary of Gains on Primary Residences

This section is an up-to-date summary of the improvements made to our residences. The law says that your basis in your primary residence is the original cost plus all improvements, minus the gains on all prior primary residences. Calculated in that way, when your house is sold, only the first 500,000 of gain is exempt for couples filing joint returns. Your home may have appreciated by more than that. Therefore, it's important to keep track of every dollar spent on home improvements. You want your basis to be as high as it can be, because to pay an unnecessarily high capital gains tax because of poor record keeping is wasting resources it took you a lifetime to earn.

RESIDENCES IMPROVEMENTS

First Home Owned

Address _____	Cost (year/price): _____
_____	Improvements: _____
_____	Sold (year/price): _____
_____	Expenses: _____
_____	Net: _____
_____	Gain: _____

Second Home Owned

Address _____	Cost (year/price): _____
_____	Improvements: _____
_____	Sold (year/price): _____
_____	Expenses: _____
_____	Net: _____
_____	Gain: _____

Third Home Owned

Address _____	Cost (year/price): _____
_____	Improvements: _____
_____	Sold (year/price): _____
_____	Expenses: _____
_____	Net: _____
_____	Gain: _____

Current Home

Address _____	Cost (year/price): _____
_____	Improvements: _____
_____	Sold (year/price): _____
_____	Expenses: _____
_____	Net: _____
_____	Gain: _____

NOTE: As of 1/1/2022 the exemption for capital gains on a primary residence is \$250,000 per person and \$500,000 for couples who file joint returns. The gain on one's primary residence is the difference between cost... plus improvements, less the gains on prior residences, if any.....and the net selling price. When one spouse predeceases the other, the surviving spouse has up to two years to sell a residence and still claim the \$500,000 deduction.

We suggest keeping a spread sheet with summaries of all improvements on your computer in "My Documents" and listed by address.

SECTION 3

Balance Sheet and Summary of Accounts

Our balance sheet makes clear which assets are owned by whom and by which trust. Also, it provides contact info for each of the investments that are not in a brokerage account. Also, in this section is a list of all bank accounts and brokerage accounts. As you prepare this, ask yourself if all accounts are still necessary or can you consolidate? And as you review your list of investments, you might also ask yourself if they're all age-appropriate.

SUMMARY OF BROKERAGE AND BANK ACCOUNTS

Brokerage firm _____

Broker _____

Phone _____ Email _____

IRA for spouse 1 _____ Account # _____

IRA for spouse 2 _____ Account # _____

Trust for spouse 1 _____ Account # _____

Trust for spouse 2 _____ Account # _____

Grantor trust (Child) _____ Account # _____

Grantor trust (Child) _____ Account # _____

Charitable trust _____ Account # _____

Bank _____ Phone # _____

Checking account # _____

Bank _____ Phone # _____

Other account # _____

SECTION 4

Outline of Irrevocable Life Insurance Trust

This section is for our Life Insurance. This is not the place to talk about the pros and cons of life insurance. But if you have life insurance policies, they too should be titled to a trust and the policies should be put in this section of your Croak Book. And again, for each trust there should be a one-page cover letter providing seven basic pieces of information:

1. Federal tax ID Number
2. Date of inception
3. Date of termination
4. Trustees
5. Beneficiaries
6. Intention and general provisions
7. Assets it contains or will contain

LIFE INSURANCE TRUST INFORMATION

SPOUSE 1: _____

Federal tax ID number: _____

Date of inception: _____

Date of termination: _____

Trustees: _____

Beneficiaries: _____

Intention of general provisions: _____

Assets it contains or will contain: _____

LIFE INSURANCE TRUST INFORMATION

SPOUSE 2:_____

Federal tax ID number: _____

Date of inception: _____

Date of termination: _____

Trustees: _____

Beneficiaries: _____

Intention of general provisions: _____

Assets it contains or will contain: _____

SECTION 5

Summary of Children's and Charitable Trusts

This section is for our Children's and Charitable Trusts. Whether or not your estate makes use of these is up to you. But if you have trusts, they should be in the Croak Book. And for each trust there should be a one-page cover letter providing seven basic pieces of information:

1. Federal tax ID Number
2. Date of inception
3. Date of termination
4. Trustees
5. Beneficiaries
6. Intention and general provisions
7. Assets it contains or will contain

CHILDREN'S TRUST INFORMATION

Federal tax ID number: _____

Date of inception: _____

Date of termination: _____

Trustees: _____

Beneficiaries: _____

Intention of general provisions: _____

Assets it contains or will contain: _____

CHARITABLE TRUST INFORMATION

Federal tax ID number: _____

Date of inception: _____

Date of termination: _____

Trustees: _____

Beneficiaries: _____

Intention of general provisions: _____

Assets it contains or will contain: _____

SECTION 6

Will and Trust for Both Spouses

This section is to keep yours and your spouse's will and trust. When they are right there in the Croak Book, it becomes a natural part of your annual update to make sure your will has been updated to reflect new family members, changing circumstances, as well as deaths, births and divorces.

Use the creation of the Croak Book to write a short, plain-English summary of each of your wills and the trusts that are created by them. If you can't do that, then you probably don't understand your own estate plan.

BY THE WAY...

While reviewing your wills, also review whether your designated Trustee is still the best choice. Here are the tasks required:

The Trustee has a lot to do in the beginning. The trustee inventories the assets, pays the obligations of the estate, disburses the bequests, collects the life insurance, retitles any assets not in a trust and collaborates with your CPA firm on the important job of valuing your assets for estate tax purposes.

Long term, the Trustee makes investment decisions for the assets in the trusts or he hires those who do. He makes payments from the trusts to the beneficiaries in accordance with the terms of the trusts. This part of his job can last for years and years.

Trustees should be at least half a generation younger than you, very organized, sophisticated and totally honest. Finding them is not easy, but finding the right one is important.

Please Note: If all your assets are titled to trusts, there's no need for an Executor.

Originals are located _____
(Best to keep originals in fireproof safe)

WILL AND TRUST

SPOUSE 1: _____

Here is a summary of what this will say: _____

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

WILL AND TRUST

SPOUSE 2: _____

Here is a summary of what this will say: _____

This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

SECTION 7

Power of Attorney

This section is where to keep Power of Attorney. If you have strong feelings about not being kept on life support, then you've probably executed a living will, and if so, then this is the place to keep it. This section is also for your medical and property powers of attorney. Moreover, if you have a second home, execute a medical power of attorney for the state where it's located, in case something happens while you're there.

When you execute a living will and a medical power of attorney, you want to be sure that your designee knows your feelings and he or she is prepared to respect them.

Use the sleeves to store copies of the following:

Living Will, Spouse 1

Living Will, Spouse 2

(State of primary residence)_____ Short Form Power of Attorney For Health Care, Spouse 1

(State of primary residence) _____ Short Form Power of Attorney For Health Care, Spouse 2

(State of primary residence)_____ Short Form Power of Attorney For Property, Spouse 1

(State of primary residence)_____ Short Form Power of Attorney For Property, Spouse 2

(State of Second Home)_____ Medical Durable Power of Attorney, Spouse 1

(State of Second Home)_____ Medical Durable Power of Attorney, Spouse 2

SECTION 8

Summary of Retirement Assets

This section is where you file a summary of your Retirement Assets (IRA's, 401K and Keogh). Keep the most recent statements for each of these accounts in the Croak Book. Then when you're gone, your spouse will know where they are and how much is in each. As my Trustee, all my wife will need to do is present a copy of my death certificate, and sometimes a marriage certificate, in order to have them re-titled to her name.

SUMMARY OF RETIREMENT ASSETS

SPOUSE 1: _____

Keogh account(s)

Bank or Broker _____

Account# _____

Statement attached

401k Account(s)

Company name _____

Participant# _____

Plan ID # _____

Statement attached

IRA Account(s)

Bank or Broker _____

Account # _____

Statement attached

Social Security

Survivor benefits available to spouse 2:

\$_____ per month as of (date) _____

Statements attached

SUMMARY OF RETIREMENT ASSETS

SPOUSE 2:_____

Keogh account(s)

Bank or Broker _____

Account#_____

Statement attached

401k Account(s)

Company name _____

Participant# _____

Plan ID # _____

Statement attached

IRA Account(s)

Bank or Broker _____

Account # _____

Statement attached

Social Security

Survivor benefits available to spouse 1:

\$_____ per month as of (date) _____

Statements attached

SECTION 9

Titles

This section is for copies of all vehicle titles (cars, trucks, boats, trailers, motorcycles, etc). The originals should be kept in a fireproof safe in your home. Safety deposit boxes can be difficult to access by the Trustee, unless you filled out the necessary forms granting him/her access before your death.

Originals are located _____
(Best to keep originals in fireproof safe)

SECTION 10

Funeral Arrangements

This section is for everything pertaining to your funeral. Death is a major event. So unless you plan on cremation or burial at sea, you'll need a family cemetery plot. A cemetery plot is real estate like any other piece of land and comes with a title. Use this section to file the titles and locations. In addition, if you've thought about an obituary or an epitaph, this is the section in which to file them. If you intend to write a letter to be read at your service, this is the place to file that. If you've pre-purchased a coffin and a funeral service, this is the place to file the contract and give contact info for the funeral home. This is also the place to designate your pall bearers and those who you wish to speak at your memorial service, if you wish to do so.

On that cheerful note; I'll close by saying that the Croak Book is more than just a collection of pre-existing documents. It's a vehicle that forces you to think about the simplicity and appropriateness of your investments; whether your brokerage and bank accounts are as consolidated as they can be; whether the Trustee you've designated is young enough, sophisticated enough and honest enough for the task; whether your wills are up-to-date with the current realities in your family, whether you've captured the improvements to your residences, how you feel about life support, whether your funeral arrangements are in alignment with your wishes, and most importantly, whether you've laid it all out in a way that your spouse and her advisors can do the best possible job of carrying on as you would want them to. And it will surely enable them to respond with confidence to those three tough phone calls mentioned earlier.

FUNERAL ARRANGEMENTS

SPOUSE 1: _____

My desire is to be ___buried ___cremated

Type of casket _____

The funeral has _____has not _____ been prearranged.

If yes, keep a copy of the contract in this section.

The type of service is to be _____
and done at _____

I would like to be buried at _____ (burial plot if owned) located at _____

If burial plot is owned, keep a copy of the deed/documentation in this section.

I would like _____ to officiate at the service.

Please put my obituary in the following publications:

1. _____
2. _____
3. _____

Please notify the following of my demise:

1. _____
2. _____
3. _____
4. _____

OPTIONAL:

Epitaph

Obituary

Speakers

List of Pallbearers

Letter to Be Read at the Service

FUNERAL ARRANGEMENTS

SPOUSE 2:_____

My desire is to be ___buried ___cremated

Type of casket _____

The funeral has _____has not _____ been prearranged.

If yes, keep a copy of the contract is in this section.

The type of service is to be _____
and done at _____

I would like to be buried at_____ (burial plot if owned) located at _____

If burial plot is owned, keep a copy of the deed/documentation in this section.

I would like_____ to officiate at the service.

Please put my obituary in the following publications:

1. _____
2. _____
3. _____

Please notify the following of my demise:

1. _____
2. _____
3. _____
4. _____

OPTIONAL:

Epitaph

Obituary

Speakers

List of Pallbearers

Letter to Be Read at the Service

LEGAL NOTICE

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