

## WTP V 4.0 UPDATE -- RELEASE NOTES

### TECHNICAL CORRECTIONS & ENHANCEMENTS

- **Document Interviews--** You can now close a document interview (by clicking the X in the upper right corner) without having to complete all the dialogs.
- **Customization Tools --** We have corrected some technical issues in the profile and template customization tools.
- **HotDocs Player 2007** – WTP now supports and delivers HotDocs Player 2007. If you have an older version of HotDocs installed, you will be prompted to update to HD Player 2007. (Note for HotDocs Standard/Pro users: HotDocs Player 2007 can be installed side-by-side with HotDocs 2007 Standard or Professional.)
- **WTP Formatting Toolbars** – The custom toolbar for MS Word has been updated.
- **Administration Module** -- WTP now permits administrator to select the folder where you want client documents and answer files to be stored. This is set from the Administrative Functions panel. Only one folder can be specified for a network installation and all users must have read/write permissions to that folder.
- **IMPORTANT NOTE FOR CUSTOMERS WHO HAVE NOT YET UPDATED TO VERSION 3.8 AND HAVE CUSTOMIZED PROFILES AND/OR TEMPLATES** – After applying the 4.0 update, you may be prompted to contact Technical Support for assistance with customized profiles and/or templates. If you receive this message after you log in to the program, please contact Support as soon as possible so that we can assist you with resolving that message at no extra charge. Support representatives will need you to provide them with a copy of the WTP.mdb file (which is found in the Configuration folder) so a small change can be made to the database. The turnaround time for making this correction should be no more than a day. While the file is being configured, you will not be able to create any new clients, matters, documents, customized profiles or templates.

### TEMPLATES

- **Single Beneficiary Trust** – This new form allows you to build a trust for one beneficiary, such as a child, niece or nephew, grandchild or friend. The trust may be made to qualify for the annual exclusion for GST by (1) granting the beneficiary Crummey powers, (2) limiting distributions only to such beneficiary or (3) granting the beneficiary a general power of appointment. The trust can also be used to create a trust for the Grantor's spouse.

- **SuperCharged<sup>SM</sup> Credit Shelter Trust** – The Lifetime QTIP Trust has been expanded to include options for the SuperCharged Credit Shelter Trust. This is in a "beta test mode" and is being delivered in V4.0 for those who wish to test it. On the Disposition dialog, select Credit Shelter Trust.
- **Powers of Attorney** – New state specific form are available for the following states: Alaska, Arizona, California, Connecticut, Florida, Indiana, Kansas, Maine, Maryland, Minnesota, Missouri, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Virginia, and Washington. Additional states will be added in the next release.
- **Living Wills** – New state specific forms are available for the following states: Alaska, Arizona, Connecticut, Florida, Indiana, Kansas, Maryland, Minnesota, Missouri, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Virginia, and Washington. Additional states will be added in the next release.
- **Health Care Directives** – New state specific forms are available for the following states: Alaska, Arizona, California, Connecticut, Florida, Indiana, Kansas, Maine, Maryland, Minnesota, Missouri, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Virginia, and Washington. Additional states will be added in the next release.
- **Client Intake Questionnaire** – This form has been expanded and enhanced.
- **Private Annuity Agreement** – The new Private Annuity form is an agreement between two parties in which one party (the “annuitant”) transfers an asset to another party (the “obligor”) in return for unsecured payments for the remainder of the annuitant's life. For the agreement to be classified as a private annuity, neither party can be in the business of selling annuities (e.g. an insurance company).
- **Family Limited Partnership Agreement (Long form)** – A new longer form partnership agreement has been added.

## NEW PROFILES

	NAME OF PROFILE	DESCRIPTION	FORM
1	GRAT – Parallel GRAT (for married client)	This form allows you to create a GRAT for a husband and wife with the following terms: (1) pay a Corrected annuity to the grantor for a short period of years (such as two years) or until the death of the grantor; (2) if the grantor dies during the short Corrected term, pay the annuity to the grantor's spouse; (3) after the initial short term, pay a Corrected annuity to the grantor's spouse for the shorter of a much longer Corrected term (such as 23 years) or until the death of the spouse; and (4) the grantor	GRAT

		retains the power to revoke interest.	
<b>2</b>	GRAT – Rolling GRAT (for married client)	This form creates a rolling GRAT which involves creating several short-term GRATs (usually 2 or 3 years) with each successive GRAT being funded by the annuity payments from the previous GRAT.	GRAT
<b>3</b>	Revocable Trust – GST Planning (for unmarried client)	This form creates a revocable “living” trust that leaves separate trusts for the grantor's descendants at the grantor's death. The form seeks to maximize the use of the grantor's GST exemption. This form is recommended for a grantor: (1) who is not married and (2) whose estate will pass into multi-generational trusts for the children and grandchildren to the extent feasible using available GST exemption, and to the extent of assets which could not be made GST exempt, in trust for the children until the children attain an age specified in the Interview.	Revocable Trust
<b>4</b>	Non-Grantor Irrevocable Term Trust for Children; Crummey Powers for Children; No GST Planning (for married client)	This form creates an irrevocable trust that DOES NOT hold insurance on the grantor's life. During the grantor's lifetime, the grantor's children are given Crummey rights of withdrawal over the grantor's gifts to the trust. At the grantor's death, separate trusts are created for the grantor's descendants. The form does not seek to maximize the use of the grantor's GST exemption nor does it provide for Grantor Trust provisions. This form is recommended for a grantor: (1) who is married but does not wish to benefit the spouse in this trust; and (2) whose children, because of age, health, education, and maturity, require assets to be held in separate trusts which terminate at an age selected in the Interview.	Irrevocable Term Trust
<b>5</b>	Non-Grantor Irrevocable; Long-Term Trust; Descendants Only, Crummey Powers; Children Only; GST Tax Planning (for married client)	This form creates an irrevocable trust that DOES NOT hold insurance on the grantor's life. During the grantor's lifetime, the grantor's children are given Crummey rights of withdrawal over the grantor's gifts to the trust. At the grantor's death, the trust is divided into separate trusts for the grantor's descendants for the maximum period possible. The form seeks to maximize the use of the grantor's GST exemption. This form includes provisions for all trusts to be Grantor Trusts for income tax purposes. This form is recommended for a grantor: (1) who is married but does not wish to benefit the spouse in	Irrevocable Term Trust

		<p>this trust; and (2) who upon his or her death, wants the trust to be divided into separate trusts to be held for the maximum period possible.</p>	
6	<p>Defective Grantor Trust; Long-Term Trust; Crummey Powers; Spouse Beneficiary; GST Tax Planning (for married client)</p>	<p>This form creates an irrevocable trust that DOES NOT hold insurance on the grantor's life. During the grantor's lifetime, the grantor's children are given Crummey rights of withdrawal over the grantor's gifts to the trust. The grantor provides for the grantor's spouse during the spouse's lifetime and upon the grantor's spouse's death, seeks to maximize the use of the grantor's GST exemption by dividing the trust into separate trusts for the grantor's descendants for the maximum period possible. This form also includes provisions to make all trusts Grantor Trusts. The form is recommended for a grantor: (1) who is married and wishes to benefit his or her spouse during the spouse's lifetime and upon the grantor's spouse's death, wants the trust to be divided into separate trusts to be held for the maximum period possible; and (2) who wishes the all trusts to be considered Grantor Trusts for income tax purposes.</p>	<p>IDIT for Descendants</p>
	<p>Defective Grantor Trust; Long-Term Trust; Crummey Powers; GST Tax Planning; Descendants Only (for married client)</p>	<p>This form creates an irrevocable trust that DOES NOT hold insurance on the grantor's life. During the grantor's lifetime, the grantor's children are given Crummey rights of withdrawal over the grantor's gifts to the trust. The grantor seeks to maximize the use of the grantor's GST exemption by dividing the trust into separate trusts for the grantor's descendants for the maximum period possible. This form also includes provisions to make all trusts Grantor Trusts. The form is recommended for a grantor: (1) who is married but does not wish to benefit his or her spouse; (2) who wants the trust to be divided into separate trusts to be held for the maximum period possible; and (3) who wishes all trusts to be considered Grantor Trusts for income tax purposes.</p>	<p>IDIT for Descendants</p>
	<p>Defective Grantor Trust; Long-term Crummey (for unmarried client)</p>	<p>This form creates an irrevocable trust that DOES NOT hold insurance on the grantor's life. During the grantor's lifetime, the grantor's children are given Crummey rights of withdrawal over the grantor's gifts to the trust. The form does not seek to maximize the use of the grantor's GST exemption. Upon the grantor's death, the trust is divided into separate trusts for the grantor's descendants which terminate at an age to be selected in the Interview.</p>	<p>IDIT Trust</p>

		<p>This form DOES NOT provide provisions to make any of the trusts Grantor Trusts. The form is recommended for a grantor: (1) who is married but does not wish to benefit his or her spouse; (2) whose children, because of age, health, education, and maturity, require assets to be held in separate trusts which terminate at an age selected in the Interview; and (3) who does not wish any of the trusts to be considered Grantor Trusts for income tax purposes.</p>	
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## CONTENT CORRECTIONS

### WILL AND TRUST DOCUMENTS

- Trustees -- Added option for reimbursing Trustee for out-of-pocket expenses
- Updated Washington Self-Proving Affidavit
- Updated Massachusetts Self-Proving Affidavit
- Added Tennessee Self-Proving Affidavit
- Updated California Self-Proving Affidavit
- Corrected relationship description on special gifts of pets
- Corrected problem of “Signer” appearing instead of Signer’s actual name in document title
- Corrected problem with selecting a state for governing law which produced an incorrect citation and language in the Trustee Powers introductory paragraph
- Added option to Firm Preferences to choose terminology for “disabled” or “incapacitated”
- Corrected references to health, education, maintenance and support to be consistent in Wills, Revocable Trust, ILIT and Joint Revocable Trust
- Added and revised WTP provisions for compliance with new Virginia Uniform Trust Code (UTC) (e.g. spendthrift language, compensation language, no contract to make will provision)
- Corrected Maximum Duration for Trusts for Maryland trusts where specific language was not appearing
- Florida Trusts – Rights in residence language (Homestead) – added the following language to Rights in residence “it being the intent of this provision to grant to such income beneficiary the requisite beneficiary interest and possessory right in

and to such real property in order to comply with Section 196.041 of the Fl statues, such that his or her beneficiary interest and possessory right constitutes in all respects “equitable title to real estate” as that term is used in Sec 6 AR VII of the Const of Florida”

- Maximum Duration for Trusts: Added two new options:
  - 360 years from death
  - 150 years from death (Washington state)
- Added new language: “The Trustee of a trust may have duties and responsibilities in addition to those described in the instrument creating the trust. If you have questions, you should obtain legal advice;”
- New Jersey Self- Proving Affidavit – Corrected title
- Closely-held business provision – added “shall” to compensation paragraph
- Added option of 120 hours as a survivorship period for South Carolina documents
- Added new option to reimburse Trustee for out-of-pocket expenses in administering trust
- Corrected numerous instances of HotDocs programming rules appearing in documents
- Corrected typographical and punctuation errors, and duplication of paragraphs in Notary/Self-proving provisions

### **DURABLE GENERAL POWER OF ATTORNEY**

- Added reference to Attorney and Attorney’s information on last page of Power of Attorney for Pennsylvania
- Added D.C. Code 42-101(a) required language about agent dealing with real property on first page of Power of Attorney
- Corrected Powers of Attorney to allow successor agents to be named

### **WILL**

- Corrected Residuary Disposition Screen so that the memo field appears when choosing “custom” draft
- Corrected Residuary Disposition Screen so that when choosing “pourover Will,” a memo field appears to enter the name of the trust
- Added definition of “GST Exempt and GST Non-Exempt Trusts” in the Definitions and Miscellaneous Provisions

- Added various provisions to make Wills and Trusts (primarily, the Joint Revocable Trust) more “California” compliant
- Corrected grammar in “Family Information” provision
- Added options to include Testator’s DOB and Spouse’s DOB in document
- Corrected Rule on Trustees Can Create Trusts (language was missing)
- Florida Provisions – provisions added to enhance Florida compliance (e.g., rights of residence and homestead language)
- Florida Provisions - Added new “Separate Writing” provision to replace the standard WTP “Memorandum of Wishes” provision
- Maximum Duration for Trusts – revised paragraph for 360 years (for Florida & Virginia)
- Maximum Duration for Trusts – added option of 150 years for Washington
- Maximum Duration for Trusts – corrected Maryland waiver language was not appearing in document
- Added power to disclaim, power to relocate trust language for Virginia
- Added options for authority for executor to grant conservation easement to generate estate tax deduction and gross estate exclusion
- Added option for choosing successor Guardians
- Added provision that the appointment of any successor Executor shall only take effect if and when all the Executors appointed by the Testator have failed to act
- Corrected bolding throughout “Governing Law” article
- Removed reference to “Holding Trusts in Solido” if governing law is California, Washington or Indiana
- Corrected No Contest Language so that it appears correctly
- Corrected references to Arizona code sections
- Added options for Carry-Over Basis (provided maximum flexibility in dealing with the carryover basis rules if they become effective)
- Corrected reference to “Trustees” making the so-called QTIP election to the “Executors” making the election
- Added “anti-Allard” Gift
- Corrected Special Gifts of Pets
- Made Manifestation of Trustees Action provision optional
- Made “Liabilities” provision under Closely Held Business Article optional
- Added “and no anti-lapse rule shall apply” to the Real Property, Intangible Personal Property and Pecuniary Gifts Options in the Will

- Corrected “Optimum Marital Deduction” provision
- Corrected Real Property definition to include option for “cooperative apartments”

### **ESTATE PLANNING MEMOS**

- Analysis of Using a Revocable Trust as Opposed to a Will – Corrected spacing and typos and eliminated rule that was showing in document

### **JOINT REVOCABLE TRUST**

- Corrected Surviving Spouse’s TPP property language – provisions were missing that were in First Decedent’s TPP language
- Corrected incorrect reference to IRC 2057(b)(7) to 2056(b)(7)
- Option to include description of spouse’s children (where they are not children of the Testator/Grantor)
- General planning support for unmarried co-habiting partners, regardless of sexual orientation
- New option for "Domestic Partner Trust" for unmarried couples
- Provisions dealing with California community property for the state's Registered Domestic Partners
- Added California language and options improving state compliance
- Removed duplicate language (“passing passing”)
- Changed "First to Die" to a preference; allows selection of preferred term to use
- Language concerning Temporary Marital language is now appearing in JRT
- Added options for authority for executor to grant conservation easement to generate estate tax deduction and gross estate exclusion
- Names of children and dates of birth are now appearing in the Trust Details/Family Information
- “Custom” Title for Cover page is now appearing as typed
- Corrected reference to “Article” in Tangible Personal Property of First Decedent to “paragraph”
- Corrected references in Dollar Limitation on GST Allocation to make clear which decedent’s Available GST exemption is being used (First Decedent/Surviving Spouse)
- Added options for Carry-Over Basis (provided maximum flexibility in dealing with the carryover basis rules if they become effective)

## **REVOCABLE TRUST**

- Corrected problem with Formula Gifts Article
- Titles of Funding Letters Added
- Added option for successor Guardian
- Formula Gifts – Corrected Terms Relating to Formula Gifts
- Option to include description of spouse’s children (where they are not children of the Testator/Grantor)
- Corrected reference in Governing Law provision about QTIP election being made by “Executor” not “Trustee”
- Corrected references in Revocable Trust to “S Corporation shares” to be the same
- Added options for authority for executor to grant conservation easement to generate estate tax deduction and gross estate exclusion
- Corrected power of appointment language when referring to descendants to be consistent with language in Wills
- Made Manifestation of Trustees Action language optional
- Corrected Rule around “Effect of Grantor’s Divorce” so it only appears if this option was picked
- Added option for choosing successor Guardians
- Corrected problem when choosing “charities” as the Marital Trust appointees
- Added options for Carry Over Basis (provided maximum flexibility in dealing with the carryover basis rules if they become effective)

## **ILIT**

- Addition of Cascading Crummey Powers - Although the annual exclusion cannot be used to protect property in a multiple beneficiary trust from generation-skipping transfer (GST) tax, the annual exclusion can be used indirectly to accomplish that result through the implementation of Cascading Crummey Powers. Essentially, Cascading Crummey Powers make an older beneficiary (such as a child) the transferor of a portion (and sometimes all) of the trust for GST tax purposes. Hence, when property is distributed to or for even younger beneficiaries (such as grandchildren) GST tax can be avoided or reduced. This occurs by having more of the power of withdrawal held by a child lapse each year to an extent greater than the typical 5% or \$5,000 amount. This excess lapse causes the child to make a gift but that gift itself is protected by the child's own annual exclusions and it makes the child the transferor for GST purposes.

- Corrected missing Family Trust language in ILIT
- Non-Adverse Trustee definition is now appearing
- Description of trusts in Beneficiary's General Power of Appointment language is now appearing
- Power to Exclude – “No Interested Trustee or Insured Trustee may participate in any action under this paragraph” is now appearing
- Corrected Trust Protector to indicate he/she is not acting in a fiduciary capacity
- Corrected Definitions Article so that the definition for the specific Formula Gifts is included
- Corrected power of appointment language when referring to descendants to be consistent with language in Wills

### **LQTIP TRUST**

- Major overhaul of entire document – including option to allow Grantor to take advantage of unified credit of the spouse for whom the lifetime QTIP was created

### **QPRT**

- Removed duplicate provisions under “Alternate or Successor Trustees”
- Family Trust missing dispositive provisions upon the spouse's death have been restored

### **CRT**

- Corrected outdated references to Rev Procs

### **GRATS**

- Added new option for “parallel GRATs” under payment pattern
- Added option for “anti-Atkinson” provision
- Added option to allow for additional trusts which permits “Rolling GRATs”

## **FORMS CHANGED SINCE VERSION 3.8**

If you have customized any of these forms prior to the release of V4.0, we strongly recommend that you compare the most recent updated forms to your custom forms. Under the Customization button, a <Restore> options exists for Custom Master

Templates and Customized Element Templates to restore your customized version to the most current authored version. If you need to know more, or require assistance with updating your customized templates, contact Deslin Hinkson ([dah@ilsdocs.com](mailto:dah@ilsdocs.com)) (340) 719-7155.

## **MASTER TEMPLATES**

- Comprehensive Will
- Simple Will
- Revocable Trust
- Joint Revocable Trust
- Charitable Remainder Trust
- Charitable Lead Trust
- Wholly Charitable Trust
- Irrevocable Trust
- Lifetime QTIP
- GRAT/GRUT
- Personal Residence Trust
- Split Purchase Trust
- Minor's Trust
- Trust Amendment
- HIPAA Authorization Release
- General Durable Power of Attorney
- FLP Agreement (short form)
- FLP/LLC Amendment
- Assignment of Limited Partnership Interest
- Client Intake Questionnaire
- Family Limited Partnership Strategic Planning Memo
- Practitioner's Check List
- Executive Summary

## **ELEMENT TEMPLATES**

- Definitions

- Fiduciary Governing Law
- Payments to Minors
- Manifestation
- Guardians
- Revocability
- Exercise Powers
- Rule Against Perpetuities
- Sub-S Provision
- Florida Acknowledgment
- Self-Proving Affidavit
- Notary Block
- Notary Acknowledgment

3/7/2007