

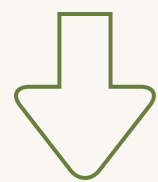
# Keep Calm & Pay Taxes

The No-Fear Approach to Proposed Estate Tax Changes



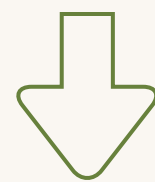
With multiple legislative proposals on the table that may impact your clients' estates in the future, now is the ideal time to partner with a trust expert to revisit their plans.

## WHAT MAY BE CHANGING



### Lower Exemption Rate

**\$11.7M > \$5.3M**



### Lower Annual Gift Exemption

**\$15,000 >**

per donor, per recipient

**\$20,000-\$50,000**

total



### Removal of Step-Up in Basis

Investment assets held at death could become subject to capital gains tax.

## WHAT IT MEANS



Estate taxes will increase



Certain tax-mitigating tools and strategies may no longer be available

## WHAT TO DO ABOUT IT

- 1** Urge clients to consider maxing out the annual gift exclusion before the law changes or the year ends.
- 2** When it comes to the lifetime gift exemption, use it or lose it. A reduction in the exemption amount in a new bill may not result in a recapture, or "clawback," of completed gifts.
- 3** Consider funding a Grantor Retained Annuity Trust (GRAT) with appreciating assets. The current GRAT hurdle rate is 0.6%, which is the lowest it has ever been. If the investments placed within a GRAT outperform that rate over the GRAT term, the growth will be passed to beneficiaries tax free.
- 4** Consider creating a Charitable Trust that pays your client or their loved ones' benefits while living.

For more estate planning strategies and ideas, talk to the experts at Arden Trust.

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