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Estate Planning

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Why is Estate Planning Important?

Provide protection for you during your lifetime

- Durable power of attorney, living will and healthcare proxy

Distribute wealth in accordance with *your* wishes

- Without a will, assets are distributed according to state law and may not align with your intentions

Select responsible individuals to carry out your wishes

- Guardian for minor children, trustee (manages assets within trust), executor (handles the settlement of an estate),

Minimize transfer taxes and expenses

- Proper use of trusts and titling of assets can help mitigate tax implications and estate administration expenses

Philanthropic legacy

- Incorporate charitable causes within your estate plan

Protect family wealth

- Asset protection trusts and pre-nuptial agreements may help protect assets from litigation liability, creditors and divorce

Prepare the next generation

- Facilitate dialog and understanding within the family and stewardship for the future

Guide to Estate Planning

Level One (Must Haves)

Planning for the transfer of assets with minimized tax and transfer cost. Review upon life events (marriage, divorce, birth, adoption, etc.)

- Will
- Living Trust
- Healthcare Power of Attorney
- Financial / Property Power of Attorney
- Proper titling of accounts and asset ownership
- Beneficiary designations for IRAs, Life insurance and Annuities

Level Two (Considerations)

Further enhance the direction of assets, minimize Estate Taxes or increase Asset Protection

- Spousal Lifetime Access Trust (SLAT)
- Grantor Retained Annuity Trusts (GRAT)
- Charitable Trusts, Private Foundation or Donor-Advised Fund
- Irrevocable Life Insurance Trust (ILIT)
- Qualified Personal Residence Trust (QPRT)
- Intra-Family Loans
- Special Needs Trusts

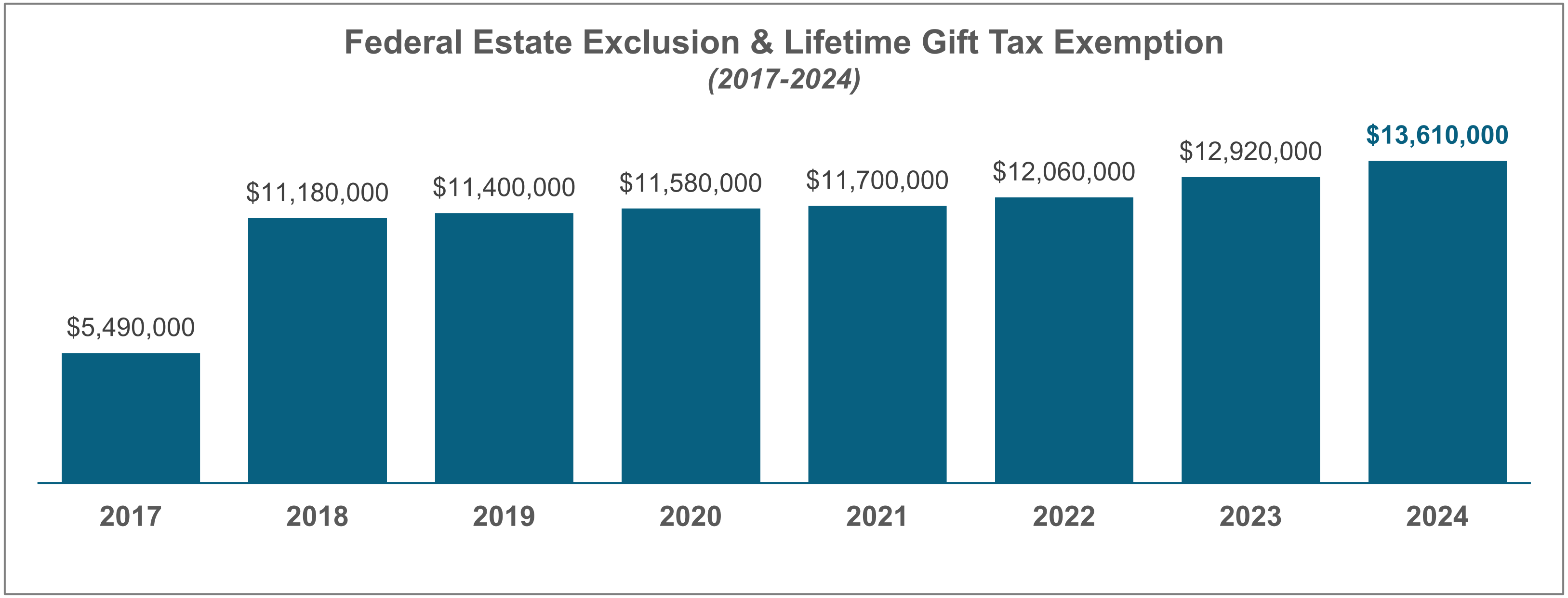
Level Three (Advanced)

For Complex Estate Tax Issues or Liability Concerns

- Domestic and Offshore Asset Protection Trusts
- Self-Cancelling Notes
- Family Limited Partnerships and Family LLCs

Take Advantage of Favorable Exemption Amounts

Under the Tax Cuts and Jobs Act (TCJA), the federal estate exclusion and lifetime gift tax exemption are scheduled to drop significantly after 2025 (barring any action by Congress).



Key Takeaways

- The federal estate exemption has increased due to the inflation adjustment, providing additional gifting opportunity to those who had previously exhausted the lifetime gift tax exemption.
- With the scheduled decrease in exemption amounts in 2026 (to a $5,000,000 base amount, adjusted for inflation), individuals who have – or are likely to have – a taxable estate *and* who have sufficient assets for retirement may want to consider gifting additional assets.

[1] *Source: IRS - "What's New- Estate and Gift Tax*

Advanced Estate Planning

Use it or Lose It…Beware of Scheduled Changes after 2025!

Spousal Lifetime Access Trust (SLAT)

- Married individuals with assets in excess of the estate exclusion ($13.61 million per person for 2024) might consider this strategy as an opportunity to further utilize the currently elevated lifetime gift tax exemption, while retaining indirect access to trust assets while their spouse is alive.

Charitable Remainder Trust (CRT)

- Individuals with philanthropic intent and a current need for an income may find a CRT an attractive option. Assets contributed to the trust can provide an income stream for life (or a period of years) and eventually benefit charity. May help reduce income taxes during life or at death depending on how the trust is structured.

Qualified Personal Residence (QPRT)

- Individuals interested in transferring a family home to the next generation may consider a QPRT as a means of minimizing gift or estate taxes. The owner irrevocably transfers the home to a trust, retaining the right of use and enjoyment for a period of years. Upon expiration of the term, the home passes to the trust's designated beneficiaries.

Grantor Retained Annuity (GRAT)

- Transferring assets to a GRAT can help "freeze" the value of your estate. A grantor transfers assets to a trust in exchange for an annual payment from the trust based on the Sec. 7520 rate. Assuming the assets appreciate in excess of the sum of the payments, remaining trust assets pass to the beneficiary without additional estate taxes.

Questions to Ask an Apollon Advisor

Are my current documents in alignment with my wishes?

Estate planning is very specific to a family's needs goals, needs, and level of wealth.

We can review your current documents, summarize your plan and reconnect/connect you with an estate planning professional if adjustments are needed.

What can I do to reduce my taxable estate?

The estate tax exemption is set to sunset in 2025 absent a change in law. This may result in a higher estate tax liability if proper planning is not implemented.

Being mindful of what assets you need to live on for the remainder of your life and other factors, we can recommend wealth transfer strategies that may enhance tax savings and benefit your family.

Is my family prepared to manage my assets when I'm gone?

Legal documents are not the only component of a successful estate plan. A team of professionals who is familiar with both you and your beneficiaries is key to protecting and preserving wealth.

We can facilitate conversations and educate the next generation about managing family wealth.

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