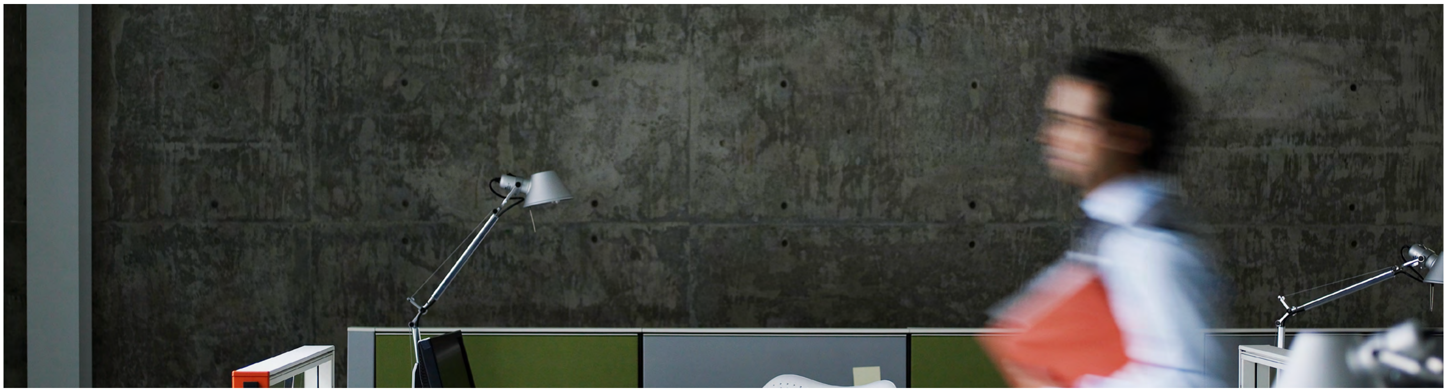
MARINER

5 Wealth Transfer Strategies to Consider

Before the Estate Tax Exemption Expires

Did you know that in 2024 you can move $13.61 million ($27.22 million for married couples)[1] out of your taxable estate without paying a dime to Uncle Sam?



That all changes in just two years when the federal lifetime estate tax exemption expires Dec. 31, 2025. After that, the exemption will be cut in half and adjusted for inflation unless new tax legislation happens between now and then. Don't wait to find out—be proactive about transferring wealth to heirs and charities in the next two years.

5 Wealth Transfer Strategies to Consider:

1. Make Direct Gifts
2. Set Up an Irrevocable Trust
3. Make Gifts Upstream
4. Maximize the Generation-Skipping Tax (GST)
5. Don't Overlook Portability

1. Make Direct Gifts

Giving assets directly to recipients is one way to reduce the size of your estate. Direct gifts allow you to specify who receives gifted assets. You can give gifts of up to $18,000 per recipient ($36,000 for split gifts of married couples) in 2024 without paying taxes.[2]

2. Set Up an Irrevocable Trust

Assets transferred into irrevocable trusts are no longer considered part of your estate, which helps reduce your taxable estate. These trusts are protected from creditors and can be managed and distributed as you see fit (as the trust's grantor).*

3. Make Gifts "Upstream"

In upstream gifting, you can gift assets to a family member of a previous generation, such as a parent or grandparent. This allows you to transfer wealth out of your estate while also taking advantage of the recipient's potentially lower tax bracket and higher gift and estate tax exemptions. Parents or grandparents can then use the transferred assets for their expenses and, in certain cases, distribute them to grandchildren or great grandchildren without incurring gift or estate taxes.

4. Maximize the Generation-Skipping Tax (GST)

The GST exemption helps preserve intergenerational wealth. Here's a hypothetical example of how it might be used. Let's say you want to transfer as much of your $30 million estate as possible to your grandchildren without incurring gift or estate taxes. If you leave your assets directly to your children, estate taxes will be levied when the assets are passed to your grandchildren, and then again when your grandchildren transfer assets to their heirs. By transferring up to $13.61 million or your remaining exemption to a properly structured GST trust, those assets will be excluded from estate-tax liability to the benefit of both your children and grandchildren.

5. Don't Overlook Portability

The portability provision of current tax law allows a surviving spouse to use any unused portion of their deceased spouse's estate and gift tax exemption. This could potentially add millions of dollars' worth of tax exclusions.

Consult With Your Wealth Advisor

The solutions and strategies described above are among many that can help you transfer family wealth to minimize taxes on your estate.

At Mariner, your wealth advisor, along with our in-house estate planning and tax professionals, can help you put strategies in place today to take advantage of the current lifetime estate tax exemption before it expires.

For more information visit: **mariner.com**

SOURCE:

[1,2]"What's New - Estate and Gift Tax"

*The downside to irrevocable trusts is that you can't change them. Once the trust is set up and the assets are transferred, you no longer have control over them. The use of trusts involve complex laws, tax rules, and regulations. Interested parties are strongly encouraged to seek advice from qualified tax, legal, and financial professionals.