

Your estate plan was built for a different tax law:

Does it still fit?

Prior to One Big Beautiful Bill Act (OBBBA), which was signed into law on July 4, 2025, many families faced estate planning uncertainty. The Tax Cuts and Jobs Act (TCJA) of 2017 temporarily doubled the lifetime exemption, but that amount was scheduled to revert to pre-TCJA levels at the end of 2025. Had that occurred, the exemption amount could have fallen to roughly \$7 million in 2026.



OBBBA brought greater stability to federal estate taxes. Perhaps most significantly, it permanently raised the lifetime gift and estate tax exemption amount to \$15 million per individual beginning in 2026, with inflation adjustments in later years. For married couples, proper planning and, where applicable, a timely portability election may allow both spouses' estate and gift tax exclusions to be used, potentially sheltering up to \$30 million in 2026.

However, if your estate plan was drafted between 2018 and 2024, it may have been established in anticipation of a drop in the exemption amount. If you haven't updated your plan since then, it may no longer be aligned with current estate tax law or your planning objectives, given the higher exemption amount. There are key questions that you can ask yourself to help you determine whether your older estate plan is over-engineered, under-funded or misaligned with today's estate planning laws.

Was my ILIT sized for a lower exemption amount?

Irrevocable life insurance trusts (ILITs) were a cornerstone of estate planning when the federal estate tax exemption was \$5 million. These trusts were often designed to hold life insurance policies so the death benefit would pass separately from the taxable estate. This strategy provided liquidity to pay estate taxes, equalize inheritances, fund business buyouts or replace lost income, all without increasing the value of the taxable estate.

Now that the exemption threshold has been permanently raised, ILITs designed for the lower exemption amount may potentially be over-engineered and overly complex in today's estate planning landscape. Many of the estates for which these ILITs were originally established may now fall below the federal exemption amount. In today's environment, an older ILIT may now generate unnecessary liquidity and create administrative burdens that outweigh its current tax benefit.

If you have an ILIT that was designed for a lower exemption amount or in anticipation of the TCJA sunset, it's important to consider whether it continues to serve its core purpose, or if modifications may be necessary. Your advisor and estate planning attorney can help you identify opportunities to optimize liquidity and streamline your administrative burden, while preserving necessary protections.

Is my trust designed for a planning environment that has changed?

In previous years, many estate plans incorporated bypass trusts designed to fully utilize the lower exemption amount and shelter growth from future taxation. With the higher exemption threshold, these trusts may potentially now trap assets that could otherwise pass smoothly to a surviving spouse or other heirs.

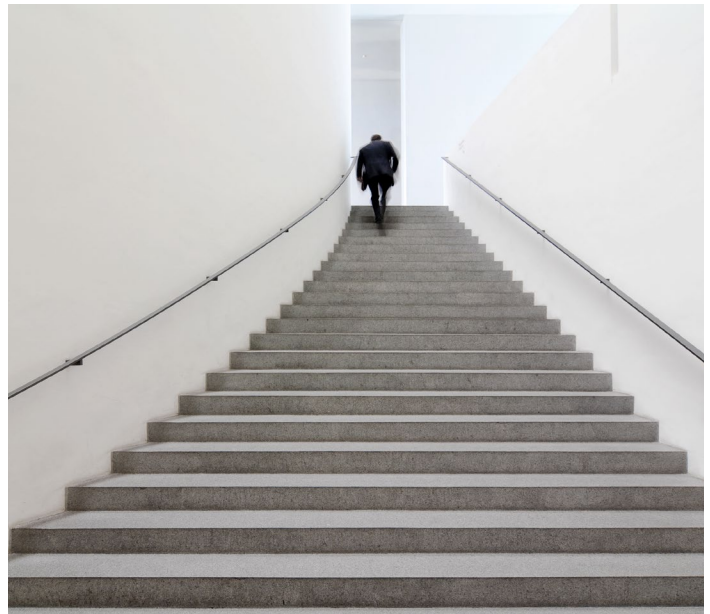
However, that does not mean bypass trusts are obsolete. They may still be useful for sheltering post-death appreciation, preserving control over how assets are ultimately distributed, maximizing each spouse's GST exemption, providing creditor protection or addressing state death tax issues in states where portability may not apply.

The income distribution requirements, limited access to principal and generational-skipping provisions of a bypass trust may potentially affect your family's wealth planning opportunities in today's tax landscape. Your loved ones may find that assets inside the bypass trust are underperforming, or your surviving spouse may struggle to access necessary liquidity if he or she lacks sufficient resources outside of the trust. At the same time, for some families, those same trust provisions may provide important guardrails and long-term planning benefits.

It's important to carefully review your bypass trust's current asset values and projected growth in light of the new exemption amount, your state's estate tax rules and your broader estate planning goals. Your advisor and estate planning attorney can help you determine whether it makes sense to preserve, merge, distribute or restructure your trust to better serve your family's needs in today's tax environment.

Are my lifetime gifting strategies designed for urgency that no longer exists?

In the years leading up to the looming TCJA sunset, many families accelerated their lifetime gifting strategies in an effort to remove assets from their taxable estates.



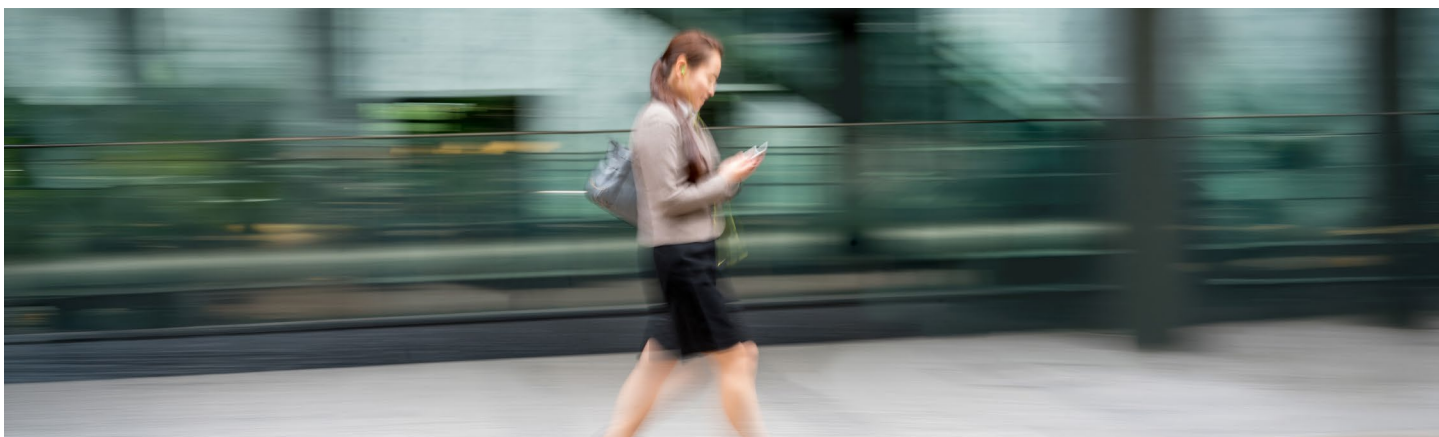
Common strategies included maximizing the annual gift exclusion, establishing **spousal lifetime access trusts** (SLATs) and utilizing **grantor retained annuity trusts** (GRATs). These strategies were often implemented with a sense of urgency to maximize exclusions while they were still available.

Now that the urgency has evaporated, these accelerated gifting strategies may have the potential to unnecessarily strain a family's cash flow or disrupt business operations. It's important to consider whether your current gifting strategies and cadence continue to meet your needs now that the potential sunset is no longer an issue.

Are my GST and dynasty trust provisions calibrated for today's thresholds?

Dynasty and generation-skipping trusts (GSTs) were often critical for multi-generational giving when the lifetime exemption was lower and subject to phase-outs. However, in today's tax environment, an over allocation to these vehicles may potentially leave excess capacity or overly restrict certain allocation strategies, which can limit trustee flexibility and increase administrative burdens and costs.

GST planning should be reviewed separately because, although the GST exemption is also \$15 million in 2026, it is not portable between spouses. That distinction can be especially important for married couples who want to maximize multigenerational wealth transfer. Your estate planning attorney can help determine whether your GST allocation strategy, dynasty trust structure and beneficiary provisions still align with your family's goals under the updated law.



Are my charitable giving vehicles still aligned with today's rules?

Many **charitable remainder trusts** (CRTs), charitable lead trusts (CLTs) and **donor-advised funds** (DAFs) were previously designed, at least in part, to access estate tax savings that may no longer feel as pressing under the higher exemption amount. That makes it wise to reevaluate the use of these vehicles in light of both the higher estate tax exemption and the updated charitable giving rules under OBBBA.

OBBBA introduced several charitable deduction changes that may affect planning, including a new 0.5% floor for individual itemized charitable deductions and a nonitemizer charitable deduction of up to \$1,000 for individuals or \$2,000 for married couples filing jointly. These changes do not eliminate the value of charitable planning, but they may affect the timing, structure and tax impact of certain gifts.

Similarly, private foundations with a primary focus on tax minimization may benefit from updates to the investment policy statement, succession provisions and/or charitable giving goals. Your advisor can help you determine whether the higher exemption amount and updated charitable deduction rules create an opportunity to refocus your giving strategy around family values, legacy goals and long-term philanthropic impact, rather than tax savings alone.

Revising your estate planning strategy

If it's been a few years since you've reviewed your estate planning strategy, it may be time for a fresh look. The good news is that today's higher lifetime estate tax exemption amount provides additional flexibility, potentially freeing up assets to support other strategies such as income tax planning, Roth conversions, retirement planning, charitable giving and more.

For more information visit: mariner.com

This material is provided for informational and educational purposes only. It does not consider any individual or personal financial, legal, or tax circumstances. As such, the information contained herein is not intended and should not be construed as individualized advice or recommendation of any kind. Where specific advice is necessary or appropriate, individuals should contact their professional tax, legal, and investment advisors or other professionals regarding their circumstances and needs. Mariner does not provide legal advice.

Any opinion expressed herein is subject to change without notice. The information provided herein is believed to be reliable, but we do not guarantee accuracy, timeliness, or completeness. It is provided "as is" without any express or implied warranties.

Estate, tax and legal planning strategies are subject to changes in applicable laws and regulations, and there is no assurance that any particular strategy will achieve its intended results.

Mariner is the marketing name for the financial services businesses of Mariner Wealth Advisors, LLC and its subsidiaries. Investment advisory services are provided through the brands Mariner Wealth, Mariner Independent, Mariner Institutional, Mariner Ultra, and Mariner Workplace, each of which is a business name of the registered investment advisory entities of Mariner. For additional information about each of the registered investment advisory entities of Mariner, including fees and services, please contact Mariner or refer to each entity's Form ADV Part 2A, which is available on the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov). Registration of an investment adviser does not imply a certain level of skill or training.