

Securing Your Legacy

An effective estate plan can help you support the people and institutions you care about most, long after you are gone. We provide access to the broad range of services needed to create an enduring legacy that passes along your values as well as your assets.

Wealth planning tools and techniques that you may use to create an effective estate plan include:

Federal Estate and Gift Tax Exemptions:

- Maximum gift and estate tax rate: 40% (as of 2022).
- Federal gift and estate tax exemption: \$12,060,000 for individuals (as of 2022); \$24,120,000 for married couples (as of 2022).
- Surviving spouse may take advantage of full \$24,120,000 exemption, with a portability election.
- Unlimited wealth transfer exemption between U.S. citizens' spouses in life or death.

When and How Taxes Must Be Paid:

- Estate taxes are due nine (9) months after death.
- Estate taxes must be paid in cash. (Liquid assets and/or life insurance proceeds may be tapped.)
- Income taxes are payable upon withdrawal from qualified retirement plans.

Purposes of Key Trust Structures:

Depending on your goals, circumstances and the amount of assets in your estate, you may want to discuss one or more of the following trust structures with your estate attorney:

MARITAL TRUSTS:

- **Power of Appointment Trust:** Pays income from trust assets to the surviving spouse, who can redirect trust assets upon their subsequent death.
- **Qualified Terminable Interest Property (QTIP):** All net income is paid to the surviving spouse, and the first spouse to die may give the surviving spouse a power of appointment upon death.
- **Credit Shelter Trust:** Also known as a "B trust" or "exemption trust," this type of trust may provide income to the surviving spouse during their lifetime, then pass assets on to the children or other beneficiaries upon the surviving spouse's death.
- **Qualified Disclaimer Trust:** A trust that is similar to a credit shelter trust, but the decision to fund the trust is made by the surviving spouse after the death of the first spouse, based on the then-existing facts and whether the establishment of such a trust would be beneficial. For example, if it were determined that certain assets are expected to appreciate in the time between the first spouse's death and the death of the surviving spouse, the funding of the disclaimer trust would allow such assets to pass estate tax-free to the beneficiaries, instead of being included in the surviving spouse's estate.

Your estate plan should be reviewed and revised after any important changes in your life or your family, and after any significant change in the transfer tax code.

We are here to help you address the complex challenges of managing your wealth.

Let's have that conversation.

OTHER TYPES OF TRUSTS:

- **Revocable Living Trust:** Typically used to avoid probate, this flexible structure allows the grantor to make/amend terms or provisions, change beneficiaries, determine the investment of trust assets or terminate the trust at any time.
- **Charitable Remainder Trust:** The grantor of the trust may receive lifetime income from assets in the trust, which pass to a qualified charity at death. This trust structure may have significant tax benefits, particularly when funded by highly appreciated assets.
- **Irrevocable Life Insurance Trust:** Holds life insurance policies within a trust, providing the trustee with greater control over how proceeds are used by beneficiaries and how life insurance proceeds could pass outside of the estate of the grantor.
- **Special Needs Trust:** Established for the benefit of someone who will need some level of lifelong care, this type of trust is often used to shelter assets so that the beneficiary remains eligible for public assistance.

Estimate the Size of Your Estate:

The size and nature of the assets in your estate will have numerous implications for your wealth transfer planning. The worksheet below is intended to help you gain a general sense of your estate composition, so you can have a more informed discussion with your legal, tax and financial advisors.

ASSETS	APPROXIMATE VALUE
Residences and Investment Real Estate	_____
Stocks, Bonds and Funds	_____
Checking/Savings Accounts	_____
Closely Held Investment Vehicles	_____
Life Insurance	_____
Annuities and Retirement Accounts	_____
Cars/Boats	_____
Jewelry/Furs/Art/Collectibles	_____
Assets in Safe Deposit Boxes	_____
Assets in Living Trusts	_____
Family-Owned Businesses	_____
Money Owed to You	_____
Potential Inheritance	_____
TOTAL ASSETS	_____

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LIABILITIES	APPROXIMATE AMOUNT
Mortgages	_____
Investment-Related Debts	_____
Personal Loans	_____
Credit Card Debt	_____
Tax Liabilities	_____
Other Money You Owe	_____
TOTAL LIABILITIES	_____

TOTAL ESTATE ESTIMATE
 (TOTAL ASSETS MINUS TOTAL LIABILITIES) _____

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