

Act Now to Utilize the Current Estate & Gift Tax Exemption How to Prepare for the Upcoming Sunset

September 12, 2024

Services may include investment advisory services provided by Forvis Mazars Wealth Advisors, LLC, an SEC-registered investment adviser, and/or accounting, tax, and related solutions provided by Forvis Mazars, LLP.

forvis
mazars | private
client

The Sunset of the Federal Estate & Gift Tax Exemption

Meet the Presenters

Guides to Help You Navigate the Upcoming Sunset



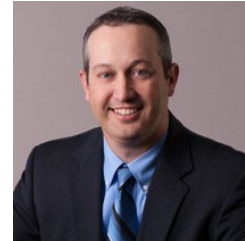
Troy Farmer
Managing Director, Wealth Strategy



Sheila Christie
Director, Wealth Strategy



Faye Hilpert
Director, Wealth Strategy



David Vogler
Partner, Tax

Agenda

1. Overview of the current exemption
2. Why you should consider to prepare now
3. How we can help you evaluate where you stand today
4. Next steps & ideal timeline



The Sunset of the Federal Estate & Gift Tax Exemption

Transfer Taxes

Overview

- Estate Tax
- Gift Tax
- The 3rd Tax (Generation Skipping Transfer Tax)
- What is an “estate”?
- Rate: ~40%

Exceptions & Exclusions

- Annual Exclusion: \$18,000 to any person per year.
- Unlimited Marital Deduction: Individuals may make transfers to spouses (U.S. citizens).
- Gifts to Charity: Any gift during life to a qualified charity/501(c)(3) is exempt from gift tax.
- Lifetime Unified Gift & Estate Tax Exemption Amount: \$13,610,000.

The Sunset of the Federal Estate & Gift Tax Exemption

Historical Amount Exempted



+ an inflation adjustment is expected for 2025

The Sunset of the Federal Estate & Gift Tax Exemption

Upcoming Tax Law Changes

Example

- A married couple can transfer \$27,220,000 (\$13,610,000 per individual) free of federal gift & estate taxes should they implement a gifting strategy prior to January 1, 2026.
- The same married couple could lose their ability to transfer approximately half of the above amounts if they don't act prior to the Tax Cuts & Jobs Act's expiration.
- In addition, it's exponentially beneficial to remove any subsequent growth on those assets from their estate.
- The below graph shows the difference in estate taxes for a family with \$50,000,000 of net worth as of today, & as of 2026.

	2024	2026
Total Estate	\$50,000,000.00	\$ 50,000,000.00
Exemption Today	\$ 27,220,000.00	\$ 13,610,000.00
Taxable Estate	\$ 22,780,000.00	\$ 36,390,000.00
Tax Owed	\$ 9,112,000.00	\$ 14,556,000.00
Estate Tax Opportunity Cost		\$5,444,000.00

The Sunset of the Federal Estate & Gift Tax Exemption

Estate Planning Documents

Basic Documents

Revocable Trust

**Last Will &
Testament**

Living Will

**Guardianship
Declaration**

**Financial Power
of Attorney
(POA)**

**Healthcare
Power of
Attorney (POA)**

The Sunset of the Federal Estate & Gift Tax Exemption

Advanced Estate Planning

Tools in the Toolbox

Generation-Skipping Trust

Spousal Lifetime Access Trust (SLAT)

Irrevocable Life Insurance Trust (ILIT)

Qualified Personal Residence Trust (QPRT)

Charitable Trusts

Grantor Retained Annuity Trust (GRAT)

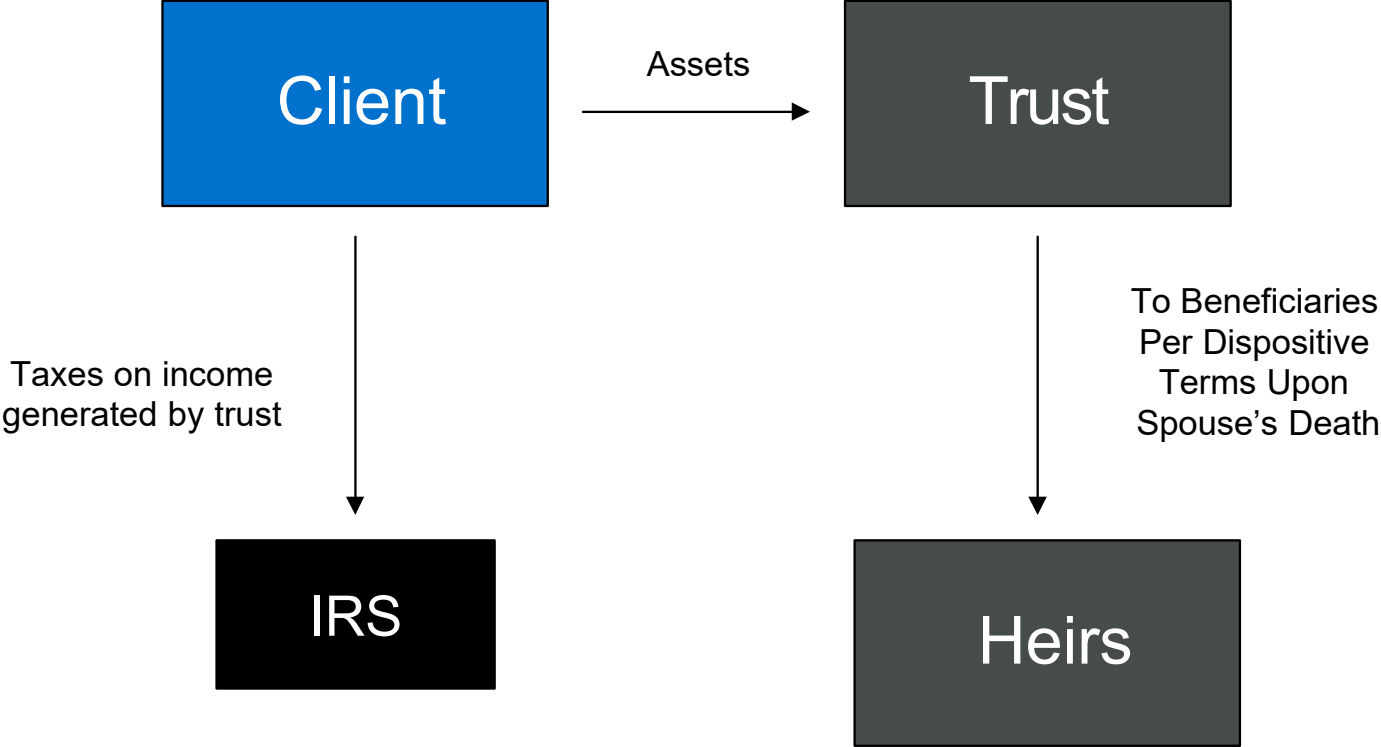


Others

The Sunset of the Federal Estate & Gift Tax Exemption

Example: Intentionally Defective Grantor Trust (IDGT)

How It Works



The Sunset of the Federal Estate & Gift Tax Exemption

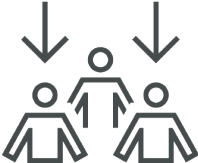
Areas of Assistance

How We Can Help

Goals Conversation



Business Exit



Family Transitions



Transfer Tax Planning



The Sunset of the Federal Estate & Gift Tax Exemption

Wealth Transfer Tax Strategy Blueprint

What to Expect

- Comprehensive integrated action plan
- Guidebook with specific action steps for full plan execution
- Covers transfer taxes, forecasts, succession, protection, goals, transitions, & data
- Project management to shepherd team of attorneys & advisors involved

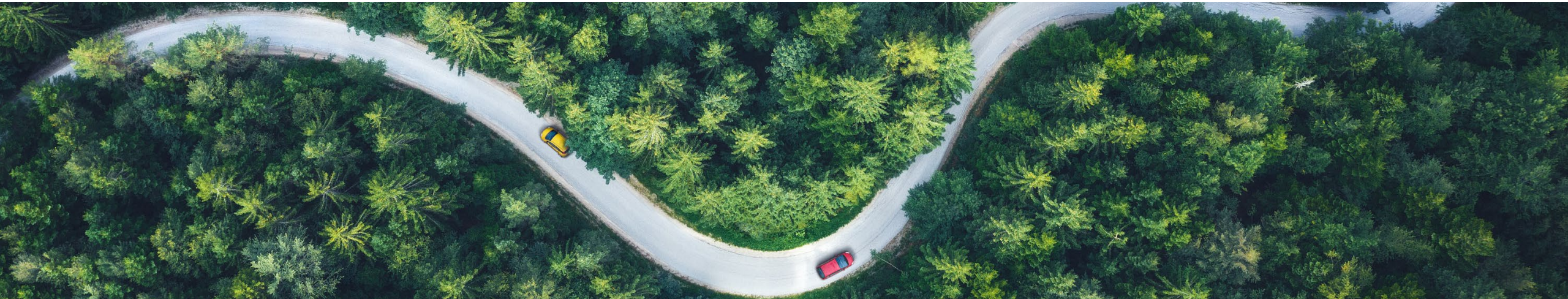


The Sunset of the Federal Estate & Gift Tax Exemption

Wealth Transfer Tax Exposure Analysis

What to Expect

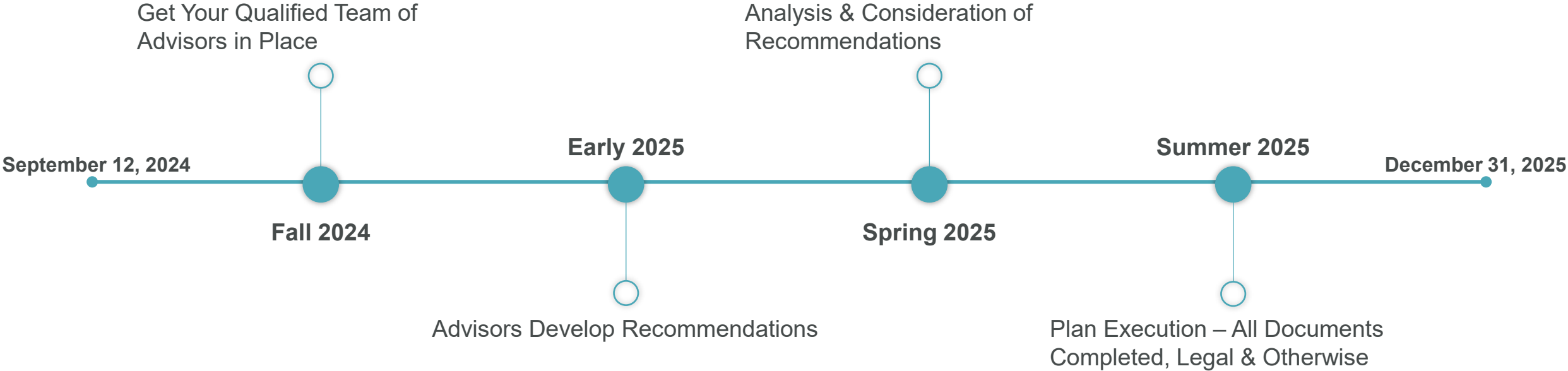
- Outline of status quo to help the taxpayer review their life events, focus on their goals, & adjust their plan
- Simple yet comprehensive overview of current plan & components to encourage understanding
- Visual diagram of estate distribution, transfer tax impact, & document terms
- High-level specific observations & recommendations with offer to guide, assist, & serve





How You Can Prepare for the 2025 Estate & Gift Tax Exemption Sunset

Next Steps & Ideal Timeline

The Time Is Now to Prepare



 Planning now can help ensure you will have a team of advisors to complete the work before the sunset

 Review your plan on a regular basis going forward

Contact Your Forvis Mazars Advisor

Forvis Mazars Private Client Presenters

Troy Farmer, J.D., CPWA®

Managing Director, Wealth Strategy & Planning
P: 317.383.3651
troy.farmer@us.forvismazars.com

Faye Hilpert, J.D., LL.M.

Director, Regional Wealth Strategist
P: 919.875.4969
faye.hilpert@us.forvismazars.com

Sheila Christie, J.D.

Director, Regional Wealth Strategist
P: 404.575.8898
sheila.christie@us.forvismazars.com

David Vogler, CPA

Partner, Tax
P: 336.714.8137
david.vogler@us.forvismazars.com

Forvis Mazars Private Client services may include investment advisory services provided by Forvis Mazars Wealth Advisors, LLC, an SEC-registered investment adviser, and/or accounting, tax, and related solutions provided by Forvis Mazars, LLP. The information contained herein should not be considered investment advice to you, nor an offer to buy or sell any securities or financial instruments. The services, or investment strategies mentioned herein, may not be available to, or suitable, for you. Consult a financial advisor or tax professional before implementing any investment, tax or other strategy mentioned herein. The information herein is believed to be accurate as of the time it is presented and it may become inaccurate or outdated with the passage of time. Past performance does not guarantee future performance. All investments may lose money.

© 2024 Forvis Mazars, LLP. All rights reserved.