

WEALTH PLANNING OPPORTUNITIES IN TOUGH TIMES



All-time low federal interest rates and currently low asset values provide historic opportunities for high net worth individuals to transfer wealth.

Take Advantage of Low Interest Rates: The IRS uses federal rates to determine the amount of gifts. Historically low interest rates make these estate planning tools more tax efficient:

- Low interest rate loans and installment sale of assets to individuals or trusts.
- Grantor Retained Annuity Trusts (“GRATs”), Intentionally Defective Grantor Trusts (“IDGTs”), certain charitable trusts and other multi-generational irrevocable trusts.

Take Advantage of Current Low Asset Values: Temporarily depressed asset values are an opportunity to efficiently shift wealth to individuals or trusts.

Take Advantage of High Estate and Gift Tax Exemptions. The current \$11.58M (inflation-adjusted) estate, gift and generation-skipping transfer tax exemption is a temporary opportunity. The exemption will fall back to prior levels in 2026, but we see risk that the exemption could be reduced earlier due to the cost of the COVID-19 relief effort and changing politics. **If you are planning to use the high transfer tax exemptions, we suggest you start the process soon.**

Contact our estate planning attorneys to learn more about these historic opportunities and how they fit into your planning.



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