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Estate Planning

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WHEN ARE IRREVOCABLE LIFE INSURANCE TRUSTS NECESSARY?

1- Irrevocable Life Insurance Trusts are used to move life insurance off your balance sheet for estate tax purposes
2- Single $15MM+ Federal Estate Tax – Irrevocable Life Insurance Trust
3- Married $30MM+ Federal Estate Tax – Irrevocable Life Insurance Trust Husband/Wife/Joint second to die policy
4- Get value off balance sheet
5- “Prepay” future federal estate tax – premiums pennies on the dollar
6- No more New Jersey estate tax since 2018
7- New York still has state estate tax exemption of $7.35MM per person
8- Downsides – typically ROI policy may be lower but certain; cost to setup; compliance – Crummey notices; irrevocable – completed gifts – trusts are typically unable to be amended
9- Old Irrevocable Life Insurance Trust – Federal estate tax exemptions were low or subject to New Jersey estate tax – older clients/higher premiums/no more tax exposure – let the Irrevocable Life Insurance Trust go “dry”

To learn more or schedule a free consultation, click here to get started today:
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