

Game changer opportunity for 2011 & 2012

We all get a mulligan ... Congress has provided clients and advisors the opportunity to revisit existing planning strategies and determine if there are significant improvements available with the passage of the new tax law. Some examples:

Crummey Powers Administration	Reduce or eliminate administration by pre-funding the gifts (premium) to the Irrevocable Insurance Trust.
Simplification	Increased exemption reduces the need to utilize private split dollar, loans and other techniques to reduce the amount of the annual gift to the Trust.
Private Split Dollar Arrangements	Enhanced gift to Trust can facilitate an early rollout strategy and eliminate the significant increase in the "economic benefit cost" at older ages.
Qualified Plans	Gifts to Irrevocable Insurance Trust can be used to purchase insurance policy owned by a qualified retirement plan.
Premium financing	Opportunity to repay or reduce the loan obligation. Revisit the need for guarantees
Sale to an Intentional Defective Trust	"Seed" money to Irrevocable Trust. Rule of thumb: Using a 10:1 ratio a gift of \$10 million could support a sale of assets up to \$ 100 million from the Grantor assets. Some of the cash flow from the gifted property could be used to increase the leveraging with life insurance
Leveraging multi-generational wealth transfers	Leverage \$10 million transfer to GST Trust. Use \$2 million to secure a \$20 million 2nd-to-die policy. Balance of transferred funds can be invested in other assets.
2010 GST end-of-year gifts	Use a portion of the recently funded Trust to purchase life insurance and substantially increase the gift.
Estate equalization or 2nd marriages	Larger gift provides improved planning flexibility.
Insurance management	Reevaluate existing policies to determine if adjustments are necessary.

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