

# Estate Planning Review

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*by Jack P. Cannata, CFP<sup>®</sup>, CPA*

If you have not reviewed your estate plans in the last two or three years now may be an opportune time to schedule a time to meet.

Over the last several years discussions with clients regarding estate planning has changed dramatically. Where prior planning was focused on Federal estate taxes, many clients are shifting the discussion to the impact of income taxes on their estate. So what has changed? For starters, the estate tax exemption has been raised dramatically. In 2014, the exemption is \$5,340,000 per person, meaning a married couple can transfer \$10,680,000 to their heirs free of Federal estate tax. Additionally, the new portability rules allow a surviving spouse to use a deceased spouse's Federal estate tax exemption amount. Meaning that a married couple may not need to establish a credit shelter trust (family trust) on the first spouse's death to maximize the exemption. Therefore, existing trust documents may need amending.

To add to the complexity, Illinois law limits the estate tax exemption to \$4,000,000 and does not provide for portability. The Illinois tax rate is as high as 16% requiring clients to focus much more on state inheritance tax and estate tax matters than in the past, especially in states like Illinois.

With all of these changes, complexity has increased dramatically. If we have not reviewed your estate planning within the last two or three years, it may be appropriate to do so. Please call us if you would like to schedule a time to review your plans.

As always, we thank you for your business and for your continued trust.

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Jack P. Cannata is a financial advisor located at 6250 North River Road, Suite 1085, Rosemont IL 60018. He offers securities and advisory services as an Investment Adviser Representative of Commonwealth Financial Network<sup>®</sup>, Member FINRA/SIPC, a Registered Investment Adviser. He can be reached at 847.318.0700 or at Jack@JPCannata.com.