

A Financial Profile



Especially Prepared For:
Edward and Beatrice Allen

By: Joe Thomas

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Estate



Estate Scenario Comparison

Prepared for

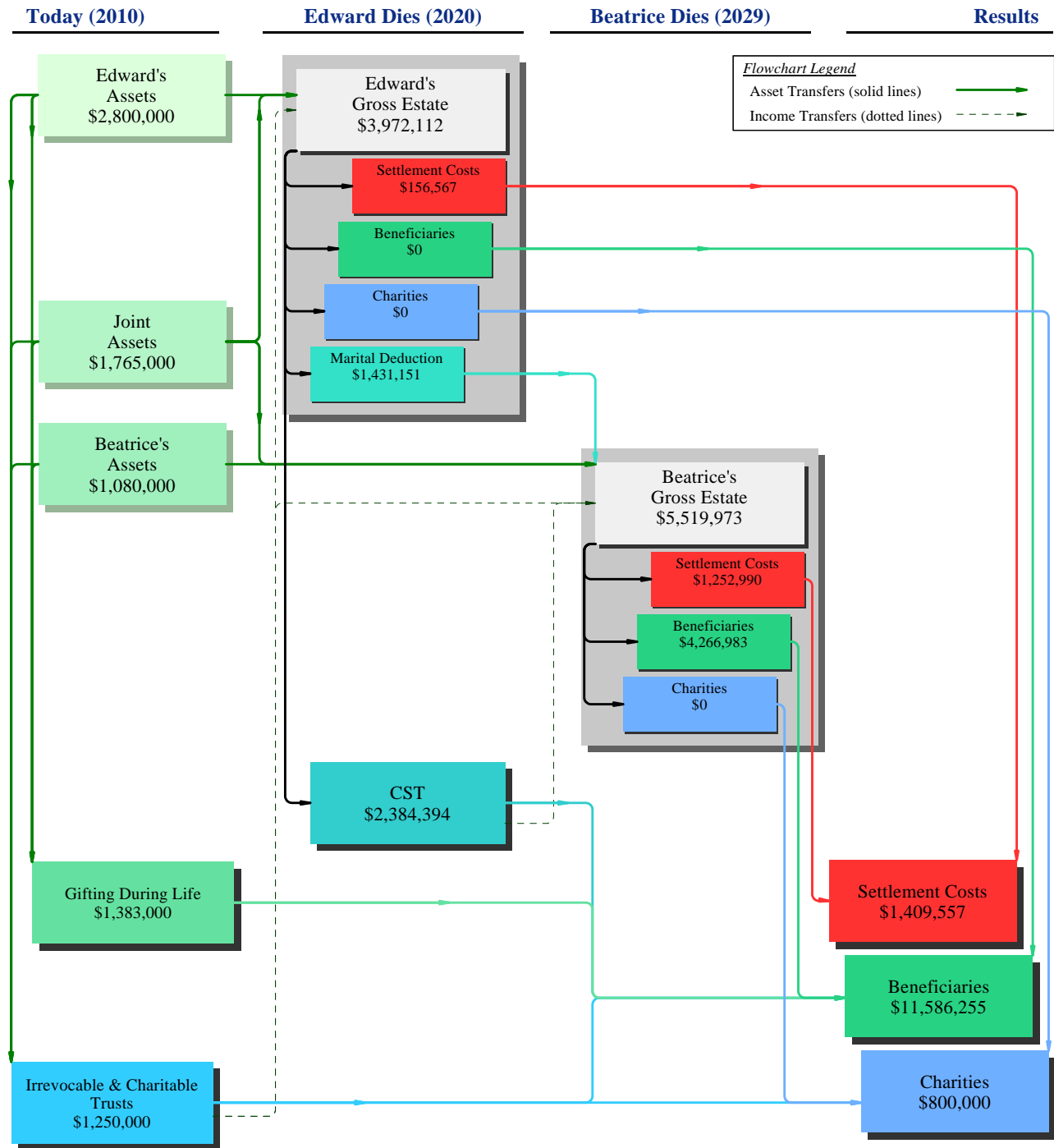
Edward and Beatrice Allen

	Estate Plan 1	Estate Plan 2: Estate Plan 1 plus RLT & CST	Estate Plan 3: Estate Plan 2 plus CRT	Estate Plan 4: Estate Plan 3 plus Gifting & QPRT
General Information				
Designated scenario	Active ¹			
Estate of the first to die				
Name	Edward	Edward	Edward	Edward
Year of first death	2020	2020	2020	2020
Gross estate	\$4,860,484	\$4,860,484	\$5,377,029	\$3,972,112
Settlement costs ²	\$101,573	\$184,110	\$187,727	\$156,567
Estate taxes	\$0	\$168,360	\$171,977	\$140,817
Assets to beneficiaries	\$0	\$0	\$0	\$0
Assets to charities	\$0	\$0	\$0	\$0
Marital deduction	\$4,758,911	\$1,999,732	\$2,475,176	\$1,431,151
Credit Shelter Trust	\$0	\$2,676,642	\$2,714,125	\$2,384,394
Qualified Terminable Interest Property Trust	\$0	\$0	\$0	\$0
Estate of the second to die				
Name	Beatrice	Beatrice	Beatrice	Beatrice
Year of second death	2029	2029	2029	2029
Gross estate	\$12,665,096	\$9,530,251	\$8,192,403	\$5,519,973
Settlement costs ²	\$5,126,644	\$3,273,773	\$2,589,333	\$1,252,990
Estate taxes	\$4,734,691	\$3,247,506	\$2,563,078	\$1,228,240
Assets to beneficiaries	\$7,538,452	\$6,256,478	\$5,603,070	\$4,266,983
Assets to charities	\$0	\$0	\$0	\$0
Combined estate results				
Settlement costs ²	\$5,228,217	\$3,457,883	\$2,777,060	\$1,409,557
Estate taxes	\$4,734,691	\$3,415,866	\$2,735,055	\$1,369,057
Assets to beneficiaries	\$7,538,452	\$9,688,328	\$8,531,497	\$11,586,255
Assets to charities	\$0	\$0	\$800,000	\$800,000

¹This scenario has been designated as the active scenario. This may impact the results of the survivor analysis and/or retirement analysis

²Settlement costs include estate taxes, funeral/final expenses, probate expenses, administration expenses and mortgage/liabilities.

Estate Plan Flowchart



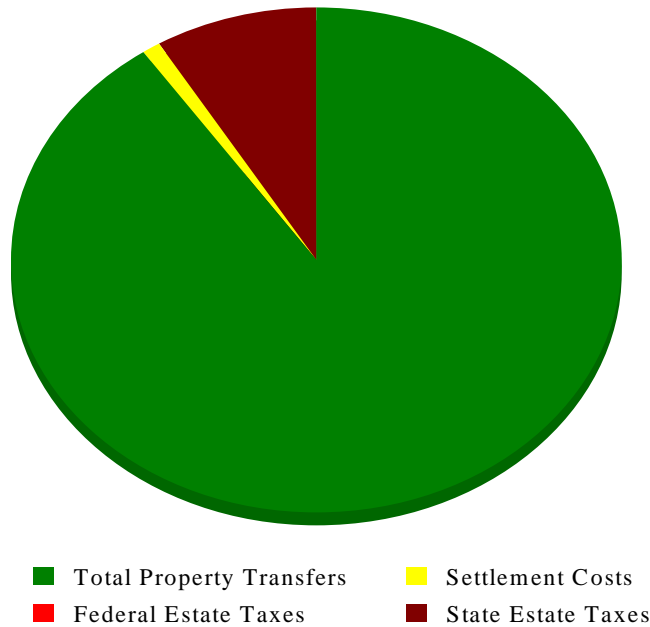
Estate Tax - Summary

Edward Dies First

At Edward's death in 2020.

<i>Gross estate</i>	\$3,972,112
<i>Adjustments to gross estate</i>	
Settlement costs incurred	(\$15,750)
Reductions for allowable tax-free transfers of property	(\$1,571,968)
Adjustments to taxable estate	\$127,629
<i>Minus: adjustments to gross estate total</i>	<u>(\$1,460,089)</u>
<i>Equals: tentative tax base</i>	<u>\$2,512,023</u>
 <i>Estate tax calculations</i>	
Federal estate tax payable	\$0
State death tax payable	\$140,817
<i>Total estate tax payable</i>	<u>\$140,817</u>

Estate Distributions at First Death



Continued...

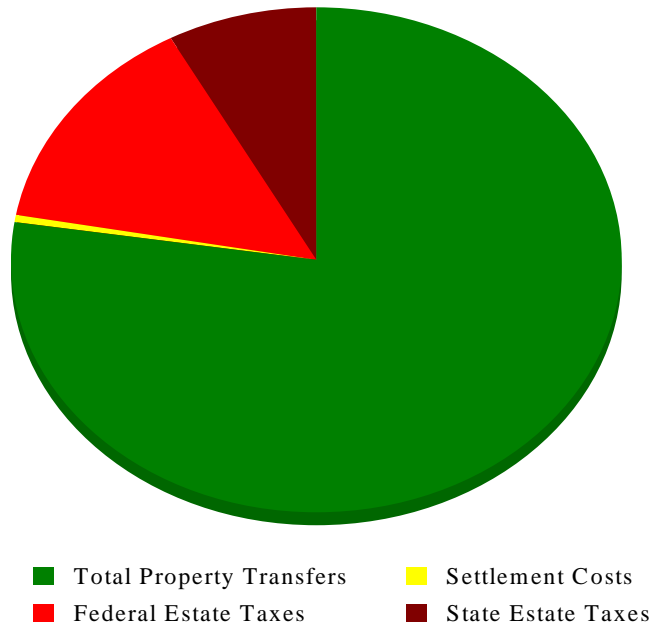
Estate Tax - Summary

Beatrice Dies Second

At Beatrice's death in 2029.

<i>Gross estate</i>	\$5,519,973
<i>Adjustments to gross estate</i>	
Settlement costs incurred	(\$24,750)
Reductions for allowable tax-free transfers of property	(\$450,227)
Adjustments to taxable estate	<u>\$183,922</u>
<i>Minus: adjustments to gross estate total</i>	<u>(\$291,054)</u>
<i>Equals: tentative tax base</i>	<u><u>\$5,228,918</u></u>
 <i>Estate tax calculations</i>	
Federal estate tax payable	\$778,013
State death tax payable	\$450,227
<i>Total estate tax payable</i>	<u><u>\$1,228,240</u></u>

Estate Distributions at Second Death



Estate Liquidity Analysis

Edward Dies First

At Edward's death in 2020

Liquid Assets

\$2,540,961

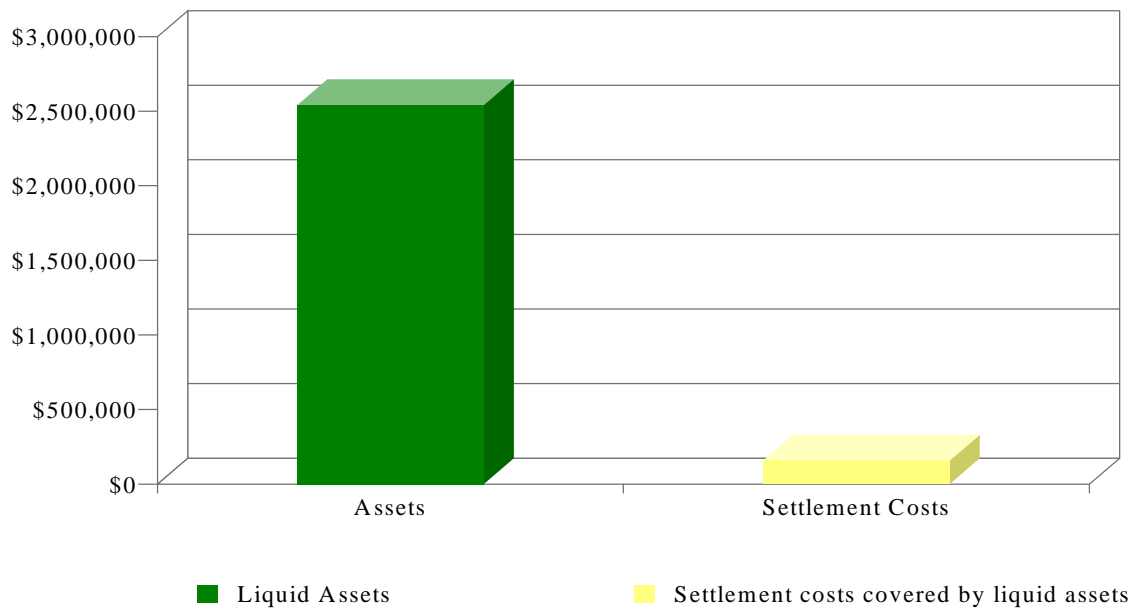
Minus: Settlement cost total

(\$156,567)

Equals: Liquidity surplus

\$2,384,394

Estate Liquidity



Continued...

Estate Liquidity Analysis

Beatrice Dies Second

At Beatrice's death in 2029

Liquid Assets

\$5,519,973

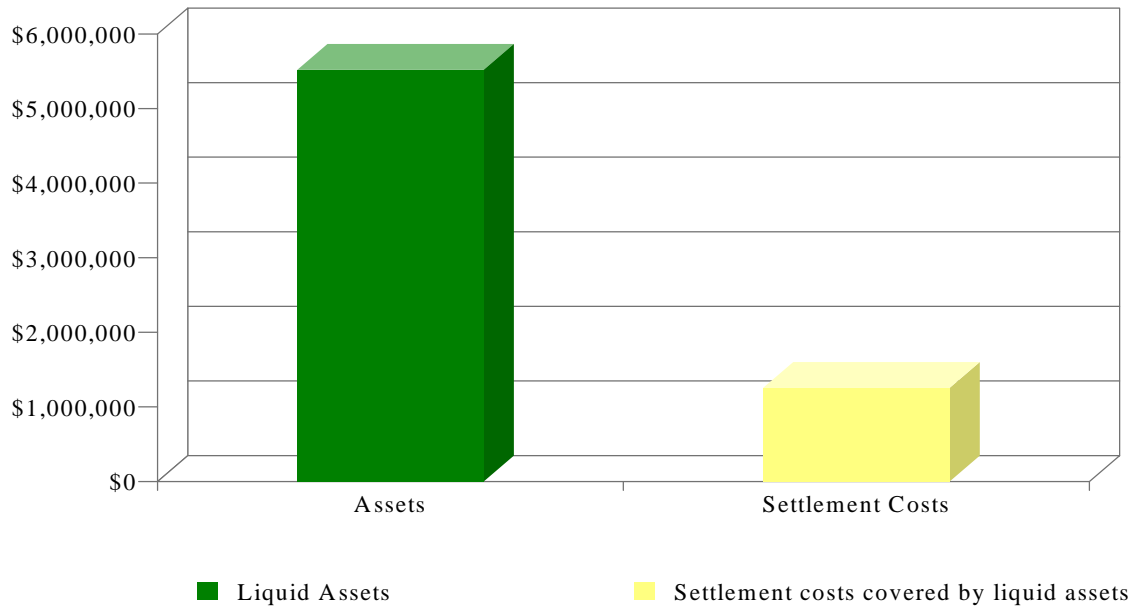
Minus: Settlement cost total

(\$1,252,990)

*Equals: **Liquidity surplus***

\$4,266,983

Estate Liquidity



Credit Shelter Trusts - Summary

Edward Dies First

The information below shows summary data for Adams Shelter Trust.

Data and assumptions

CST information

Scenario name	Estate Plan 4: Estate Plan 3 plus Gifting & QPRT
CST name	Adams Shelter Trust
Annual income payout percent	4.00%

Funding information

CST funding objective	Use Full Federal Credit
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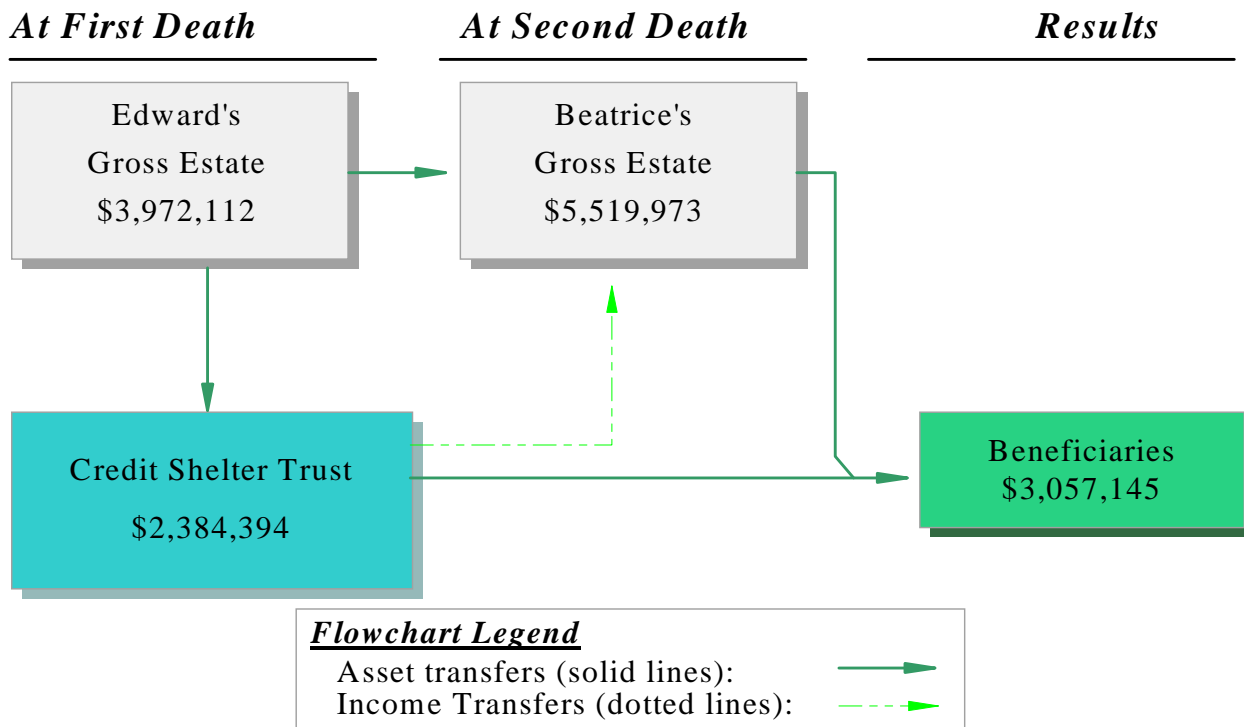
Trust growth information

Trust annual rate of return	8.00%
Trust tax rate	15.00%
After-tax rate of return	6.80%

CST results

Year trust is funded (year of Edward's death)	2020
Actual amount transferred to CST	\$2,384,394
Total income paid to Beatrice	\$961,073
Amount distributed to beneficiaries at trust termination	\$3,057,145

Flowchart



Qualified Personal Residence Trust - Summary

The information below shows summary data for Adams QPRT.

Data and assumptions

QPRT information

Scenario name	Estate Plan 4: Estate Plan 3 plus Gifting & QPRT
QPRT name	Adams QPRT

Funding information

Grantor	Edward and Beatrice
Funding date	April 15, 2010
Amount transferred	\$450,000

Trust information

Trust term (years)	18
Reversion option retained	Yes

Flowchart

Today

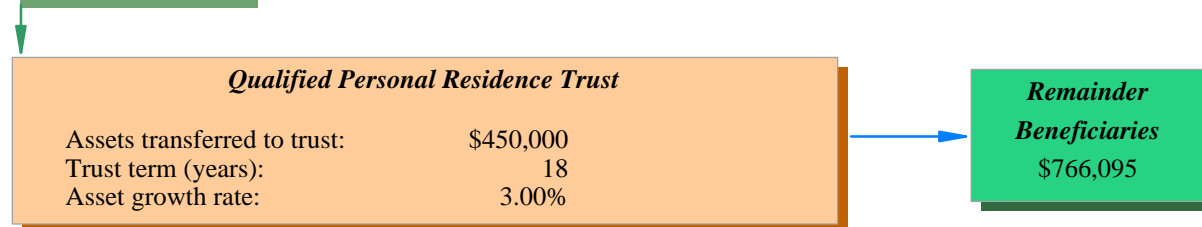
**Edward's &
Beatrice's
Assets**

At Termination

Results

Flowchart Legend

Asset transfers (solid lines): 



Residence use and remainder interest analysis

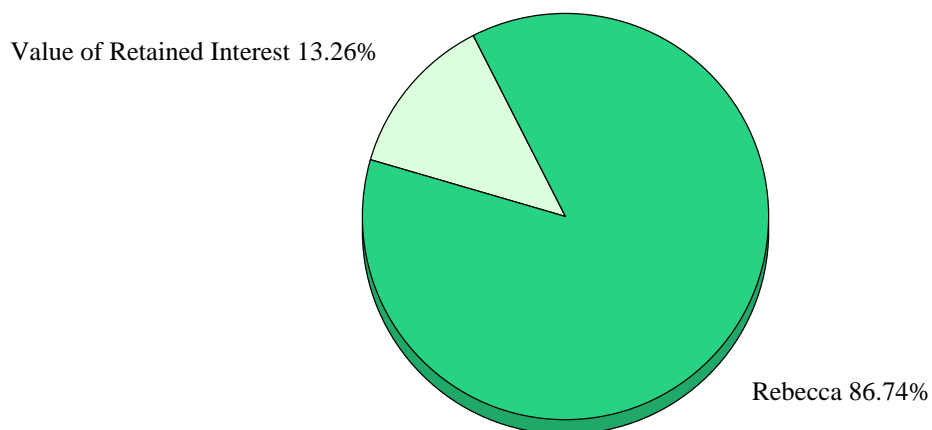
	<u>Dollar amount</u>	<u>Percent</u>
Assets transferred to trust (total interest)	\$450,000	100.00%
Value of residence use during trust term ²	\$59,691	13.26%
Value of reversion interest ³	\$135,052	30.01%
Taxable value of ending trust balance ⁴	\$255,257	56.72%
Value of gift for gift tax ⁵ purposes	\$255,257	56.72%

Continued...

Distributions by beneficiary

<u>Residence use beneficiaries</u>	<u>Percent of interest</u>	<u>Value</u>		
Edward and Beatrice	100.00%	\$59,691		
<u>Remainder beneficiaries</u>	<u>Percent of interest</u>	<u>Gift tax value</u>	<u>Actual value</u>	<u>Value at Beatrice's death</u>
Rebecca	100.00%	\$255,257	\$766,095	\$789,078
Remainder interest total		\$255,257	\$766,095	\$789,078

Residence use and remainder interest (taxable gift) analysis



¹The *Assumed growth rate* is the rate at which the underlying asset (the residence) increases in value after the asset is distributed to the remainder beneficiaries. This rate equals the growth rate while the residence was held in the QPRT because the growth rate for the residence is used throughout the analysis period.

²The *Value of residence use during trust term* equals the value in today's dollars of the right to occupy the residence during the term of the trust.

³The *Value of reversion interest* equals the value in today's dollars of the right to reclaim the property transferred to the trust in the event the grantor dies before the trust terminates.

⁴The *Taxable value of ending trust balance* equals the taxable portion of the value that will pass to the remainder beneficiaries at the termination of the QPRT.

⁵The *Value of gift for federal gift tax purposes* equals the value of assets transferred to the trust minus the value of any interests retained by the grantors. Interests retained by the grantors include the use of the residence during the term of the trust, and, optionally, the reversion interest if retained by the grantor(s).

Charitable Remainder Annuity Trust - Summary

The information below shows summary data for Adams CRAT.

Data and assumptions

CRAT information

Scenario name	Estate Plan 4: Estate Plan 3 plus Gifting & QPRT
CRAT name	Adams CRAT

Funding information

Grantor	Beatrice
Funding date	April 15, 2010
Amount transferred	\$800,000

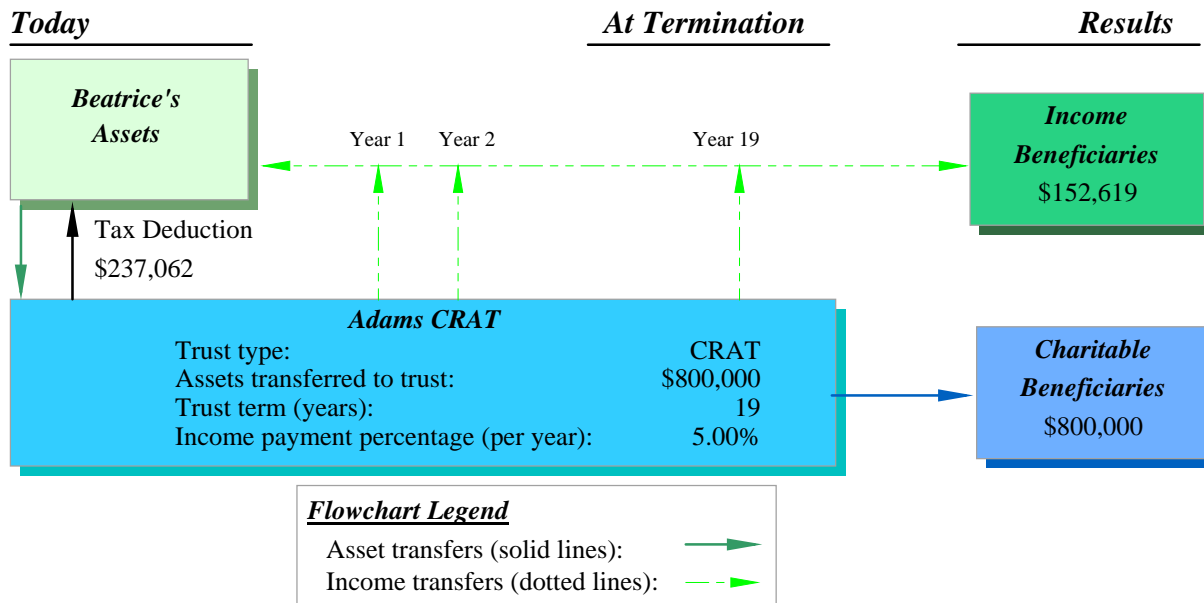
Trust information

Trust termination event	Beatrice's death
Trust term (years)	19
Assumed trust annual rate of return	5.00%
Income payment type	Fixed percent
Annual income payout percent	5.00%
Annual income payment	\$40,000

Applicable Test Results

Passed

Flowchart



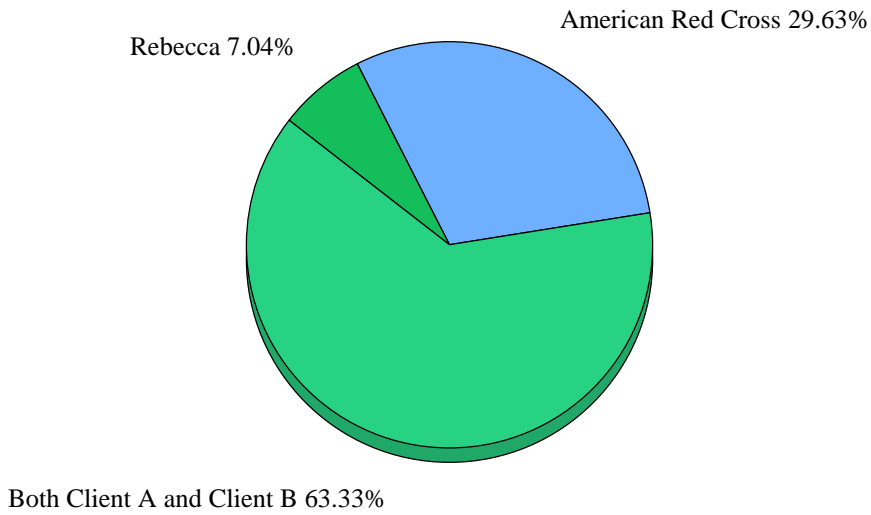
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CRAT results

<u>Income beneficiaries</u>	<u>Percent of interest</u>	<u>Value</u>	<u>Actual value</u>	<u>Value at Beatrice's death</u>
Both Client A and Client B	90.00%	\$506,644	\$684,000	N/A
Rebecca	10.00%	\$56,294	\$76,000	\$152,619
Income payments total		\$562,938	\$760,000	\$152,619

<u>Remainder beneficiaries</u>	<u>Percent of interest</u>	<u>Charitable deduction</u>	<u>Actual value</u>	<u>Value at Beatrice's death</u>
American Red Cross	100.00%	\$237,062	\$800,000	\$800,000
Remainder interest total		\$237,062	\$800,000	\$800,000

Income interest and remainder interest (charitable interest) analysis



Revocable Living Trusts - Summary

Edward Dies First

The information below shows summary data for Edward's and Beatrice's RLT.

Data and Assumptions

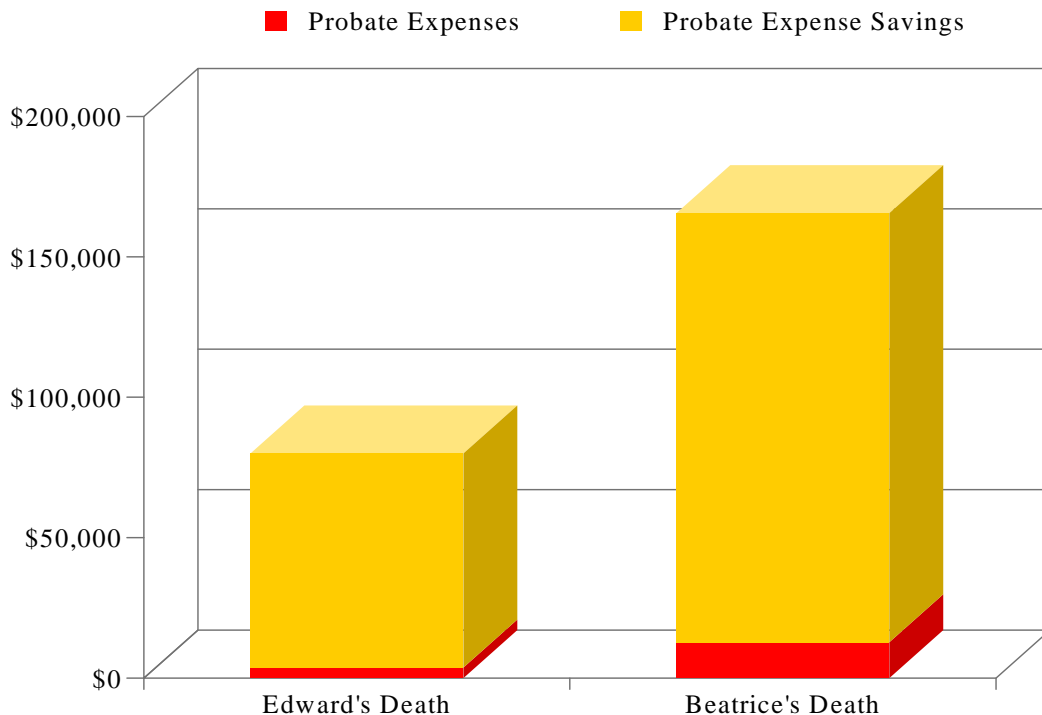
RLT information

Scenario name	Estate Plan 4: Estate Plan 3 plus Gifting & QPRT
Value of Assets held in RLT today	4,160,000
Probate expense percentage at Edward's Death	3.00%
Probate expense percentage at Beatrice's Death	3.00%

RLT Results

	Edward's death in 2020	Beatrice's death in 2029
Probate expense without RLT	\$79,979	\$165,599
Probate expense with RLT	\$3,750	\$12,750
Probate expense savings (dollar)	\$76,229	\$152,849
Probate expense savings (percent)	95%	92%

Probate Expenses at Death



Appendix



Estate Detailed Timeline

Cash Flow

Age	Income Needs				Income Sources					Income Surplus/ (Shortage)
	Desired Need	Goals Needs	Qualified Plan Contributions	Total Income Need	Earnings	Social Security	Other Sources	Taxes on Income	Total Income Sources	
70 / 69	\$95,340	\$78,000	\$0	\$173,340	\$0	\$32,940	\$48,000	(\$13,680)	\$67,260	(\$106,080)
71 / 70	98,677	78,000	0	176,677	0	33,764	49,680	(14,108)	69,335	(107,342)
72 / 71	102,131	78,000	0	180,131	0	34,608	51,419	(14,550)	71,476	(108,655)
73 / 72	105,705	84,000	0	189,705	0	35,473	53,218	(15,007)	73,685	(116,021)
74 / 73	109,405	84,000	0	193,405	0	36,360	55,081	(15,478)	75,963	(117,442)
75 / 74	113,234	90,000	0	203,234	0	37,269	57,009	(15,964)	78,314	(124,920)
76 / 75	117,197	90,000	0	207,197	0	38,200	59,004	(16,465)	80,739	(126,458)
77 / 76	121,299	90,000	0	211,299	0	39,155	61,069	(16,983)	83,241	(128,058)
78 / 77	125,545	96,000	0	221,545	0	40,134	63,207	(17,518)	85,823	(135,721)
79 / 78	129,939	96,000	0	225,939	0	41,138	65,419	(18,069)	88,487	(137,451)
-- / 79	91,339	51,000	0	142,339	0	0	0	0	0	(142,339)
-- / 80	94,536	51,000	0	145,536	0	0	0	0	0	(145,536)
-- / 81	97,845	54,000	0	151,845	0	0	0	0	0	(151,845)
-- / 82	101,269	57,000	0	158,269	0	0	0	0	0	(158,269)
-- / 83	104,814	57,000	0	161,814	0	0	0	0	0	(161,814)
-- / 84	108,482	60,000	0	168,482	0	0	0	0	0	(168,482)
-- / 85	112,279	60,000	0	172,279	0	0	0	0	0	(172,279)
-- / 86	116,209	63,000	0	179,209	0	0	0	0	0	(179,209)
-- / 87	120,276	66,000	0	186,276	0	0	0	0	0	(186,276)

Continued...

Estate Detailed Timeline

Net Worth

Age	Withdrawals			Additions				Balances		
	Income Shortage	Taxes on Withdrawal & Invest- ment Return	Total*	Income Surplus, ER Contrib. & Excess RMD	Lump-Sum Income	Investment Return	Total Additions	Asset Market Value	Deferred Taxes and Liabilities	Estate Net Worth
Beginning Balance:								\$5,645,000	\$0	\$5,645,000
70 / 69	(\$106,080)	(\$44,615)	(\$128,268)	\$29,520	\$0	\$293,357	\$322,877	\$5,839,609	\$0	\$5,839,609
71 / 70	(107,342)	(104,225)	(444,020)	29,520	0	273,869	303,389	5,698,978	0	5,698,978
72 / 71	(108,655)	(58,577)	(165,653)	29,520	0	289,849	319,369	5,852,693	0	5,852,693
73 / 72	(116,021)	(64,988)	(185,400)	29,520	0	296,112	325,632	5,992,925	0	5,992,925
74 / 73	(117,442)	(68,557)	(185,691)	29,520	0	303,598	333,118	6,140,353	0	6,140,353
75 / 74	(124,920)	(75,059)	(199,358)	29,520	0	310,456	339,976	6,280,971	0	6,280,971
76 / 75	(126,458)	(44,919)	(171,818)	29,520	0	327,776	357,296	6,466,449	0	6,466,449
77 / 76	(128,058)	(45,577)	(175,587)	29,520	0	338,560	368,080	6,658,941	0	6,658,941
78 / 77	(135,721)	(47,134)	(182,331)	29,520	0	349,372	378,892	6,855,502	0	6,855,502
79 / 78	(137,451)	(48,720)	(185,538)	29,520	0	360,644	390,164	7,060,129	0	7,060,129
-- / 79	(142,339)	(42,460)	(2,757,516)	107,728	0	161,526	269,254	4,571,867	0	4,571,867
-- / 80	(145,536)	(16,709)	(186,549)	109,918	0	170,915	280,833	4,666,151	0	4,666,151
-- / 81	(151,845)	(17,713)	(168,912)	112,169	0	175,679	287,848	4,785,087	0	4,785,087
-- / 82	(158,269)	(18,432)	(176,070)	114,483	0	180,403	294,886	4,903,904	0	4,903,904
-- / 83	(161,814)	(19,180)	(180,354)	116,862	0	185,236	302,098	5,025,648	0	5,025,648
-- / 84	(168,482)	(19,884)	(187,741)	119,308	0	190,024	309,332	5,147,240	0	5,147,240
-- / 85	(172,279)	(20,612)	(192,258)	121,822	0	194,919	316,740	5,271,722	0	5,271,722
-- / 86	(179,209)	(21,298)	(199,891)	124,406	0	199,763	324,169	5,396,000	0	5,396,000
-- / 87	(186,276)	(21,963)	(207,642)	127,063	0	204,551	331,614	5,519,973	0	5,519,973

* The Total Withdrawal column may also include other withdrawals that are not a transfer of money within the estate (i.e.; funding a CST at death).

Estate RMD

Required Minimum Distributions

Edward Dies First

<i>Client A's /</i>				<i>Edward's IRA</i>		<i>Spousal IRA</i>	
<i>Client B's</i>	<i>Capital</i>	<i>Total</i>	<i>Income</i>	<i>Capital</i>		<i>Capital</i>	
<i>Ages</i>	<i>Balance</i>	<i>RMD</i>	<i>Tax</i>	<i>Balance</i>	<i>RMD</i>	<i>Balance</i>	<i>RMD</i>
70 / 69	\$1,060,000	\$35,584	\$6,405	\$975,000	\$35,584	\$85,000	\$0
71 / 70	1,026,471	38,634	6,954	945,504	35,679	80,966	2,955
72 / 71	639,274	24,908	4,483	591,358	23,100	47,916	1,808
73 / 72	520,911	21,037	3,787	483,884	19,590	37,027	1,446
74 / 73	370,200	15,516	2,793	344,657	14,481	25,543	1,034
75 / 74	204,012	8,886	1,599	190,031	8,298	13,982	587
76 / 75	5,148	233	42	4,797	218	351	15
77 / 76	0	0	0	0	0	0	0
78 / 77	0	0	0	0	0	0	0
79 / 78	0	0	0	0	0	0	0
-- / 79	0	0	0	0	0	0	0
-- / 80	0	0	0	0	0	0	0
-- / 81	0	0	0	0	0	0	0
-- / 82	0	0	0	0	0	0	0
-- / 83	0	0	0	0	0	0	0
-- / 84	0	0	0	0	0	0	0
-- / 85	0	0	0	0	0	0	0
-- / 86	0	0	0	0	0	0	0
-- / 87	0	0	0	0	0	0	0

Gross Estate

Edward Dies First

At Edward's death in 2020

<i>Assets</i>		<i>Included in Gross Estate</i>	
Individually-owned assets			
Edward's Investment Account		\$2,540,961	
Vintage Jaguar		<u>\$125,000</u>	
	<i>Subtotal</i>		\$2,665,961
Assets held as joint property			
Cash Management Account	\$699,603	\$349,801	
Home Furnishings	\$300,000	\$150,000	
Home	\$1,612,700	<u>\$806,350</u>	
	<i>Subtotal</i>		<u>\$1,306,151</u>
<i>Edward's gross estate</i>			<u>\$3,972,112</u>

Continued...

Gross Estate

Beatrice Dies Second

At Beatrice's death in 2029

<i>Assets</i>	<i>Included in Gross Estate</i>	
Beatrice's individually-owned assets (includes assets received at Edward's death)		
Beatrice's Investment Account	\$1,510,408	
Cash Management Account	\$1,483,559	
Vintage Jaguar	\$125,000	
Home Furnishings	\$300,000	
Home	<u>\$2,104,207</u>	
	<i>Subtotal</i>	<u>\$5,519,973</u>
<i>Beatrice's gross estate</i>		<u>\$5,519,973</u>

Estate Tax - Details

Edward Dies First

At Edward's death in 2020

Gross estate				\$3,972,112
	<i>Fixed</i>			
<i>Minus: settlement costs incurred</i>	<u>amount</u>	<u>Percent</u>	<u>Base</u>	<u>Total</u>
Funeral/final expenses				\$12,000
Probate expenses		3.00%	\$125,000	\$3,750
Administration expenses	\$0	0.00%	\$3,972,112	\$0
Deductible portion of mortgages/liabilities				\$0
<i>Subtotal</i>				\$15,750
				(\$15,750)
Equals: adjusted gross estate				\$3,956,362
<i>Minus: reductions for allowable tax-free transfers of property</i>				
Assets transferred to spouse (marital deduction)				\$1,431,151
Qualified family-owned business interest (QFOBI deduction)				\$0
Assets transferred to charity (charitable deduction)				\$0
State death tax paid (post-2004 state death tax deduction)				\$140,817
<i>Subtotal</i>				\$1,571,968
				(\$1,571,968)
Equals: taxable estate				\$2,384,394
<i>Plus: adjustments to taxable estate</i>				
Adjusted taxable gifts				\$127,629
Portion of gift taxes paid within three years of death				\$0
Ownership of life insurance policies transferred and retained interests relinquished within three years of death				\$0
<i>Subtotal</i>				\$127,629
				\$127,629
Equals: tentative tax base				\$2,512,023
<i>Estate tax calculations</i>				
<i>Federal estate tax</i>				
Federal estate tax law to apply				Freeze 2009
Tentative federal estate tax (from tentative tax base)				\$1,011,210
Minus: federal estate tax credits				
Total gift taxes already paid on above gifts			\$0	
Applicable federal estate tax credit			\$1,455,800	
Other federal estate tax credits			\$0	
<i>Subtotal</i>			\$1,455,800	(\$1,011,210)
Federal estate tax payable				\$0
<i>State death tax</i>				
State death tax law to apply				State Freeze
State freeze year				2002
State death tax amount at first death				\$140,817
State death tax payable				\$140,817
Equals: total estate tax payable				\$140,817

Continued...

Estate Tax - Details

Beatrice Dies Second

At Beatrice's death in 2029

Gross estate				\$5,519,973
	<i>Fixed</i>			
<i>Minus: settlement costs incurred</i>	<u>amount</u>	<u>Percent</u>	<u>Base</u>	<u>Total</u>
Funeral/final expenses				\$12,000
Probate expenses		3.00%	\$425,000	\$12,750
Administration expenses	\$0	0.00%	\$5,519,973	\$0
Deductible portion of mortgages/liabilities				\$0
<i>Subtotal</i>				\$24,750
				(\$24,750)
Equals: adjusted gross estate				\$5,495,223
<i>Minus: reductions for allowable tax-free transfers of property</i>				
Qualified family-owned business interest (QFOBI deduction)				\$0
Assets transferred to charity (charitable deduction)				\$0
State death tax paid (post-2004 state death tax deduction)				\$450,227
<i>Subtotal</i>				\$450,227
				(\$450,227)
Equals: taxable estate				\$5,044,996
<i>Plus: adjustments to taxable estate</i>				
Adjusted taxable gifts				\$183,922
Portion of gift taxes paid within three years of death				\$0
Ownership of life insurance policies transferred and retained interests relinquished within three years of death				\$0
<i>Subtotal</i>				\$183,922
				\$183,922
Equals: tentative tax base				\$5,228,918
<i>Estate tax calculations</i>				
<i>Federal estate tax</i>				
Federal estate tax law to apply				Freeze 2009
Tentative federal estate tax (from tentative tax base)				\$2,233,813
<i>Minus: federal estate tax credits</i>				
Total gift taxes already paid on above gifts			\$0	
Applicable federal estate tax credit		\$1,455,800		
Other federal estate tax credits			\$0	
<i>Subtotal</i>		\$1,455,800		(\$1,455,800)
Federal estate tax payable				\$778,013
Federal estate tax payable				\$778,013
<i>State death tax</i>				
State death tax law to apply				State Freeze
State freeze year				2002
State death tax amount at second death				\$450,227
State death tax payable				\$450,227
State death tax payable				\$450,227
Equals: total estate tax payable				\$1,228,240

Gift Tax Timeline - Edward

Federal Gift Tax Calculations

<i>Year</i>	<i>Edward's Age</i>	<i>Total Gifts</i>	<i>Taxable portion of gifts</i>	<i>Tentative tax on gifts</i>	<i>Available Federal Credit</i>	<i>Federal credit used</i>	<i>Federal gift tax</i>
2010	70	\$166,629	\$127,629	\$32,089	\$345,800	\$32,089	\$0
2011	71	39,000	0	0	313,711	0	0
2012	72	39,000	0	0	313,711	0	0
2013	73	42,000	0	0	313,711	0	0
2014	74	42,000	0	0	313,711	0	0
2015	75	45,000	0	0	313,711	0	0
2016	76	45,000	0	0	313,711	0	0
2017	77	45,000	0	0	313,711	0	0
2018	78	48,000	0	0	313,711	0	0
2019	79	48,000	0	0	313,711	0	0

Gift Tax Timeline - Beatrice

Federal Gift Tax Calculations

<i>Year</i>	<i>Beatrice's Age</i>	<i>Total Gifts</i>	<i>Taxable portion of gifts</i>	<i>Tentative tax on gifts</i>	<i>Available Federal Credit</i>	<i>Federal credit used</i>	<i>Federal gift tax</i>
2010	69	\$222,922	\$183,922	\$49,655	\$345,800	\$49,655	\$0
2011	70	39,000	0	0	296,145	0	0
2012	71	39,000	0	0	296,145	0	0
2013	72	42,000	0	0	296,145	0	0
2014	73	42,000	0	0	296,145	0	0
2015	74	45,000	0	0	296,145	0	0
2016	75	45,000	0	0	296,145	0	0
2017	76	45,000	0	0	296,145	0	0
2018	77	48,000	0	0	296,145	0	0
2019	78	48,000	0	0	296,145	0	0
2020	79	51,000	0	0	296,145	0	0
2021	80	51,000	0	0	296,145	0	0
2022	81	54,000	0	0	296,145	0	0
2023	82	57,000	0	0	296,145	0	0
2024	83	57,000	0	0	296,145	0	0
2025	84	60,000	0	0	296,145	0	0
2026	85	60,000	0	0	296,145	0	0
2027	86	63,000	0	0	296,145	0	0
2028	87	66,000	0	0	296,145	0	0

Generation-skipping Transfer Tax

Edward Dies First

Edward's GSTT exemption use

<i>Type of use</i>	<i>Effective year</i>	<i>Value</i>
GSTT exemption already used	2010	\$0

Transfers to skip persons[†] from estate planning tools

<i>Skip person</i>	<i>Tool type</i>	<i>Effective year</i>	<i>Value</i>
Conner	Gift	2010	\$13,000
Conner	Gift	2011	\$13,000
Conner	Gift	2012	\$13,000
Conner	Gift	2013	\$14,000
Conner	Gift	2014	\$14,000
Conner	Gift	2015	\$15,000
Conner	Gift	2016	\$15,000
Conner	Gift	2017	\$15,000
Conner	Gift	2018	\$16,000
Conner	Gift	2019	\$16,000
Ashley	Gift	2010	\$13,000
Ashley	Gift	2011	\$13,000
Ashley	Gift	2012	\$13,000
Ashley	Gift	2013	\$14,000
Ashley	Gift	2014	\$14,000
Ashley	Gift	2015	\$15,000
Ashley	Gift	2016	\$15,000
Ashley	Gift	2017	\$15,000
Ashley	Gift	2018	\$16,000
Ashley	Gift	2019	\$16,000
<i>Total</i>			\$288,000

Generation-skipping transfer tax timeline*

<i>Year</i>	<i>Edward's Age</i>	<i>Maximum GSTT exemption for year</i>	<i>Total transfers subject to GSTT</i>	<i>Available (unused) GSTT exemption</i>	<i>GSTT exemption used</i>	<i>GSTT payable</i>
2010	70	\$3,500,000	\$26,000	\$3,500,000	\$26,000	\$0
2011	71	\$3,500,000	\$26,000	\$3,474,000	\$26,000	\$0
2012	72	\$3,500,000	\$26,000	\$3,448,000	\$26,000	\$0
2013	73	\$3,500,000	\$28,000	\$3,422,000	\$28,000	\$0
2014	74	\$3,500,000	\$28,000	\$3,394,000	\$28,000	\$0
2015	75	\$3,500,000	\$30,000	\$3,366,000	\$30,000	\$0
2016	76	\$3,500,000	\$30,000	\$3,336,000	\$30,000	\$0
2017	77	\$3,500,000	\$30,000	\$3,306,000	\$30,000	\$0
2018	78	\$3,500,000	\$32,000	\$3,276,000	\$32,000	\$0
2019	79	\$3,500,000	\$32,000	\$3,244,000	\$32,000	\$0
2020	--	\$3,500,000	\$0	\$3,212,000	\$0	\$0

Continued...

†**Skip persons:** a 'skip person' is defined as any person who is assigned to a generation that is two or more generations below that of the transferor (grantor). For example, the grandchildren and great-grandchildren of the transferor are skip persons. Also considered skip persons are those who are unrelated to the transferor and at least 37½ years younger than the transferor. Only transfers involving skip persons are subject to generation-skipping.

***Generation-skipping transfers:** The generation-skipping transfer tax timeline includes only those transfers made to skip persons via estate-planning tools. The calculations currently do not include generation-skipping transfer tax on assets passing directly from the estate to specific skip person beneficiaries.

Generation-skipping Transfer Tax

Beatrice Dies Second

Beatrice's GSTT exemption use

<i>Type of use</i>	<i>Effective year</i>	<i>Value</i>
GSTT exemption already used	2010	\$0

Transfers to skip persons[†] from estate planning tools

<i>Skip person</i>	<i>Tool type</i>	<i>Effective year</i>	<i>Value</i>
Conner	Gift	2010	\$13,000
Conner	Gift	2011	\$13,000
Conner	Gift	2012	\$13,000
Conner	Gift	2013	\$14,000
Conner	Gift	2014	\$14,000
Conner	Gift	2015	\$15,000
Conner	Gift	2016	\$15,000
Conner	Gift	2017	\$15,000
Conner	Gift	2018	\$16,000
Conner	Gift	2019	\$16,000
Conner	Gift	2020	\$17,000
Conner	Gift	2021	\$17,000
Conner	Gift	2022	\$18,000
Conner	Gift	2023	\$19,000
Conner	Gift	2024	\$19,000
Conner	Gift	2025	\$20,000
Conner	Gift	2026	\$20,000
Conner	Gift	2027	\$21,000
Conner	Gift	2028	\$22,000
Ashley	Gift	2010	\$13,000
Ashley	Gift	2011	\$13,000
Ashley	Gift	2012	\$13,000
Ashley	Gift	2013	\$14,000
Ashley	Gift	2014	\$14,000
Ashley	Gift	2015	\$15,000
Ashley	Gift	2016	\$15,000
Ashley	Gift	2017	\$15,000
Ashley	Gift	2018	\$16,000
Ashley	Gift	2019	\$16,000
Ashley	Gift	2020	\$17,000
Ashley	Gift	2021	\$17,000
Ashley	Gift	2022	\$18,000
Ashley	Gift	2023	\$19,000
Ashley	Gift	2024	\$19,000
Ashley	Gift	2025	\$20,000
Ashley	Gift	2026	\$20,000
Ashley	Gift	2027	\$21,000
Ashley	Gift	2028	\$22,000
<i>Total</i>			\$634,000

Continued...

Generation-skipping transfer tax timeline*

<i>Year</i>	<i>Beatrice's Age</i>	<i>Maximum GSTT exemption for year</i>	<i>Total transfers subject to GSTT</i>	<i>Available (unused) GSTT exemption</i>	<i>GSTT exemption used</i>	<i>GSTT payable</i>
2010	69	\$3,500,000	\$26,000	\$3,500,000	\$26,000	\$0
2011	70	\$3,500,000	\$26,000	\$3,474,000	\$26,000	\$0
2012	71	\$3,500,000	\$26,000	\$3,448,000	\$26,000	\$0
2013	72	\$3,500,000	\$28,000	\$3,422,000	\$28,000	\$0
2014	73	\$3,500,000	\$28,000	\$3,394,000	\$28,000	\$0
2015	74	\$3,500,000	\$30,000	\$3,366,000	\$30,000	\$0
2016	75	\$3,500,000	\$30,000	\$3,336,000	\$30,000	\$0
2017	76	\$3,500,000	\$30,000	\$3,306,000	\$30,000	\$0
2018	77	\$3,500,000	\$32,000	\$3,276,000	\$32,000	\$0
2019	78	\$3,500,000	\$32,000	\$3,244,000	\$32,000	\$0
2020	79	\$3,500,000	\$34,000	\$3,212,000	\$34,000	\$0
2021	80	\$3,500,000	\$34,000	\$3,178,000	\$34,000	\$0
2022	81	\$3,500,000	\$36,000	\$3,144,000	\$36,000	\$0
2023	82	\$3,500,000	\$38,000	\$3,108,000	\$38,000	\$0
2024	83	\$3,500,000	\$38,000	\$3,070,000	\$38,000	\$0
2025	84	\$3,500,000	\$40,000	\$3,032,000	\$40,000	\$0
2026	85	\$3,500,000	\$40,000	\$2,992,000	\$40,000	\$0
2027	86	\$3,500,000	\$42,000	\$2,952,000	\$42,000	\$0
2028	87	\$3,500,000	\$44,000	\$2,910,000	\$44,000	\$0
2029	--	\$3,500,000	\$0	\$2,866,000	\$0	\$0

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***Generation-skipping transfers:** The generation-skipping transfer tax timeline includes only those transfers made to skip persons via estate-planning tools. The calculations currently do not include generation-skipping transfer tax on assets passing directly from the estate to specific skip person beneficiaries.