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ESTATE PLANNING CONCEPTS:

I. Use both spouses' Applicable Exclusions ($11,700,000 US; $5,000,000 MD)

A. Credit Shelter Trust (or outright gift to children) + marital deduction gift

B. Equalize estates of both spouses -- asset titling, beneficiary designations

II. Leveraging -- impose transfer taxes on assets at lower value during life than at death

A. Insurance trust (or children own insurance)

B. Lifetime gifts of assets likely to appreciate (Silicon Valley stock)

III. Make gifts outside transfer tax system -- annual exclusion gifts; tuition payments

A. Outright to children

B. Grandchildren's trusts

IV. Charitable deduction gifts

V. Avoid assets being subject to estate tax in successive generations

Bequests to children -- in trust for life, not outright (up to $11,700,000)

VI. Take advantage of lower marginal rates -- no marital deduction bequest

VII. Valuation of assets subject to tax -- discount value (fractional interests)

VIII. Advanced leveraging techniques -- subtraction method (impose transfer taxes on asset value after subtracting value of retained interest)

A. Qualified Personal Residence Trust -- subtract value of retained right to use property for term of years

B. Grantor Retained Annuity Trust -- subtract value of retained right to annual fixed dollar payout for term of years

C. Charitable Lead Unitrust -- subtract value of charity's right to annual fixed percent of assets payout for term of years

IX. Tax inclusion versus exclusion -- inter vivos gifts and pay gift tax (survive 3 years)