

ESTATE PLANNING ALERT

**ESTATE PLANNING TECHNIQUES IN THIS
LOW INTEREST RATE ENVIRONMENT**

This March presents a unique opportunity to transfer wealth to your children, grandchildren or other beneficiaries due to the combination of low interest rates and a down stock market. Certain estate planning techniques enable you to transfer earnings and appreciation in excess of a certain rate of return dictated by the Internal Revenue Service (the “Hurdle Rate”) free from transfer tax. Thus, when the Hurdle Rate is low, as it will be this March (3.6%), there is an increased opportunity to transfer wealth to your beneficiaries free of gift tax; this opportunity is amplified when asset values are down.

Depending on your objectives, there are several estate planning techniques that you may employ to take advantage of the present low interest rate environment. These techniques include loans and sales to beneficiaries or trusts for beneficiaries, grantor retained annuity trusts (GRATs) and split-interest charitable trusts.

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If you have any questions or would like more information about the foregoing techniques, please do not hesitate to call or email us at the numbers and addresses listed below.

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