2021 PLANNING OPPORTUNITIES

Rose Street Advisors
BENEFITS • HR CONSULTING • INVESTMENTS • LIFE INSURANCE • RETIREMENT

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Are you Prepared?

For those individuals and families planning their financial legacy, 2021 may be the year to take advantage of unprecedented transfer and gifting opportunities under the current tax environment.

While taxation should never be the only reason to transfer assets or make major gifts, 2021 could be the time to get the most out of these decisions.

WHAT TO DO?

1 **Identify and then engage your trusted advisors** (legal, tax, trust, financial and insurance)

Don't wait. If the anticipated tax changes happen, the lines will be long and the time will be short to discuss, decide, draft and implement all that will need to be done by December 31, 2021.

2 **Review your current legal documents and insurance portfolio**

How has your situation changed and what legal documents need to be updated? From ownership and beneficiary designations to policy performance, when is the last time you had your insurance portfolio reviewed?

3 **Start the Process**

Life Insurance can be underwritten without an obligation to buy. This allows you to know where you stand in terms of pricing and available capacity, specifically for you.

- Assess ownership and beneficiary status
- Review your current portfolio
- Complete the medical portion of the underwriting process (medical records and possibly an insurance exam)

Have a general understanding of certain succession and estate planning techniques

- Annual Exclusion Gifts - are you using these to your fullest?
- Sale to a defective trust
- Spousal gift trusts
- Irrevocable Life Insurance Trusts

Questions to consider:

- Will you need a 3rd party valuation? If yes, who will complete the appraisal and how much time will that take?
- How will a significantly lower federal estate tax exemption impact your planning and tax liability?
- How will a change in the capital gains rate affect you?
- How does a potential change in the "step up in basis" treatment of assets affect your need for liquidity?