

Important Year-End Estate Planning Considerations

Arguably, year-end estate planning in 2020 is more important than ever before. Between market volatility brought on by the COVID-19 pandemic, uncertainty about future asset values, historically low interest rates, recent changes to the rules regarding retirement accounts and potential tax changes that could result from the upcoming election or budgetary considerations, there are a myriad of reasons to focus on estate planning before the end of this year.

In particular, there is significant uncertainty as to whether there could be changes to the federal estate and gift tax exemption next year. As of now, the exemption amount is \$11.58 million per U.S. person in 2020, adjusted annually for inflation. Without any further legislative action, the exemption amount is scheduled to decrease to \$5 million per person in 2026, adjusted for inflation annually. This does not include any applicable state gift or estate taxes.

However, some politicians have called for a return of the estate and gift tax exemption to its historic norm. While it is currently unclear what this means, the 2001 exemption amount was \$675,000. The exemption steadily increased from 2002-2009 to \$3.5 million and after a brief repeal in 2010, the estate tax was reinstated in 2011 with a \$5 million exemption, adjusted for inflation annually, and then increased again to \$10 million, adjusted for inflation, in 2018.

Depending on the results of the election in November, the exemption could be reduced dramatically as soon as January of next year.

Thus, now is the time to consider year-end planning, including the possibility of making significant gifts to family members or trusts for their benefit. Transfers into trust can be made in such a way so that the donor still retains significant flexibility and controls, while also preserving the tax objectives.

Curtis would like to cordially invite you to attend our upcoming webinar, *Estate Planning in Uncertain Times*, on **October 15, 2020 at 10:00 AM Eastern Standard Time**, in which Curtis' Trusts and Estates team will discuss several planning techniques for high net worth individuals to be considered now, given the current political, economic and low interest rate environment. This is a timely presentation, as some of these opportunities may disappear or be diminished at the end of the year.

Please reserve your spot for this Zoom webinar in advance through [this link](#).

After registering at the above link, you will receive a confirmation email containing information about joining the meeting. For those who need it, U.S. CLE credit will be provided.

For more information about Curtis, please visit www.curtis.com.

Attorney advertising. The material contained in this Client Alert is only a general review of the subjects covered and does not constitute legal advice. No legal or business decision should be based on its contents.

Please feel free to contact either of the attorneys listed below if you have any questions on these important developments:



Michael S. Schwartz

Partner,
Trusts & Estates Co-Chair
michael.schwartz@curtis.com
New York: +1 212 696 8823



Robert W. Sheehan

Partner,
Private Client Group Chair,
Trusts & Estates Co-Chair
rsheehan@curtis.com
New York: +1 212 696 6176