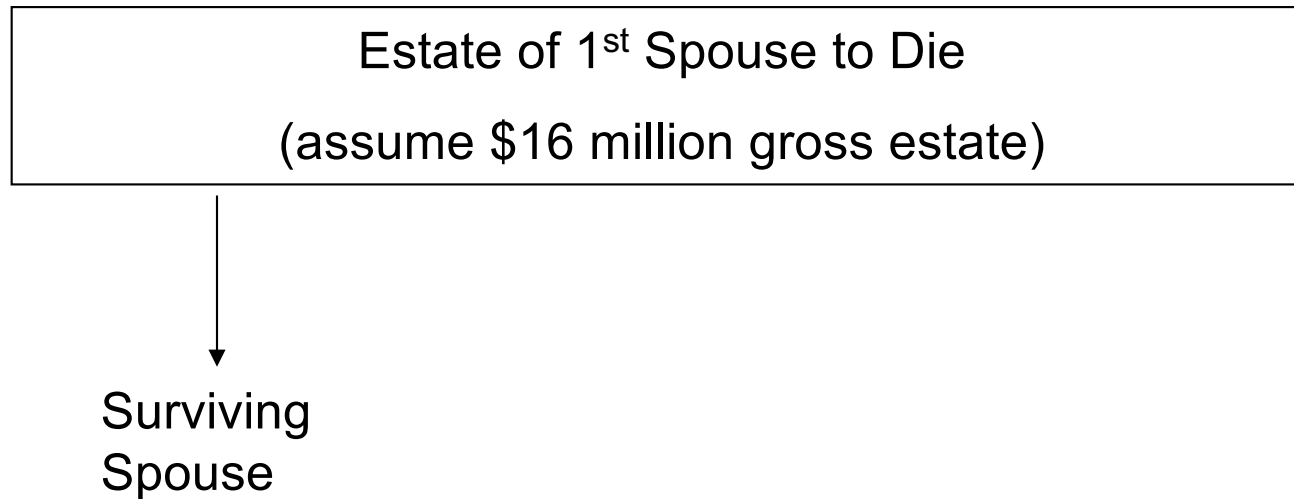


OPTION #1 – TRANSFER ALL ASSETS OUTRIGHT TO S.S.



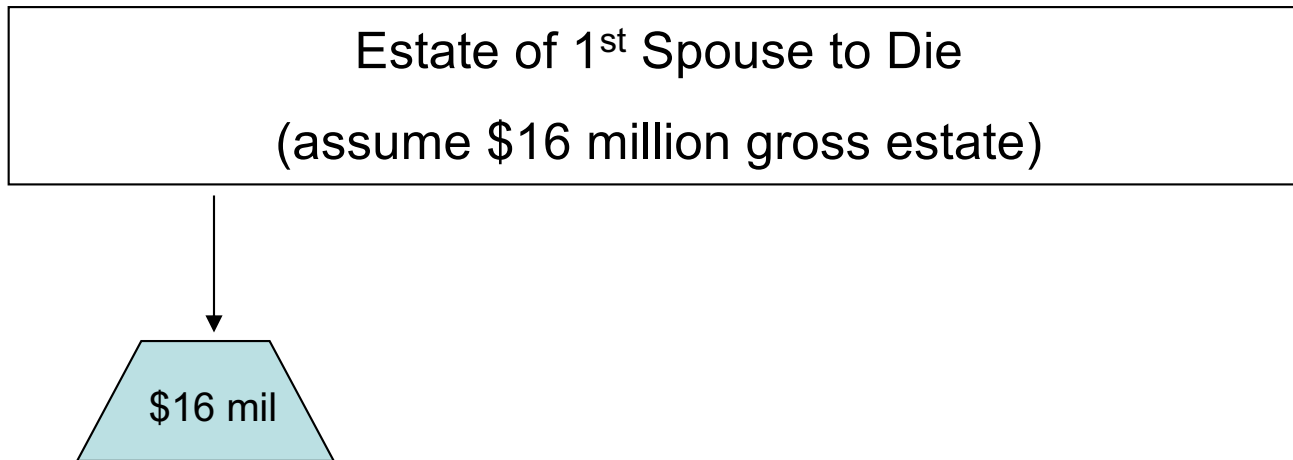
Tax Consequences:

- At 1st spouse's death, no tax (marital deduction – 2056(a))
- At surviving spouse's (SS) death, full amount (whatever remains) is included in her gross estate (1st spouse's unified credit was wasted prior to portability under 2010 legislation)

Non-tax consequence:

- Surviving spouse has full control over \$16 million

OPTION #2 – TRANSFER ALL ASSETS TO QTIP TRUST FOR S.S.



Income to Surviving Spouse for life,
payable at least annually;
Remainder to children at SS's death

Tax Consequences:

- At 1st spouse's death, no tax (if § 2056(b)(7) satisfied and elected)
- At surviving spouse's death, full trust value included in her gross estate if § 2056(b)(7) QTIP election was made at 1st spouse's death (§ 2044) (1st spouse's unified credit was wasted prior to portability under 2010 legislation)

Non-tax consequence:

- 1st decedent controls disposition of trust property

OPTION #3 – TYPICAL A / B TRUST STRUCTURE

