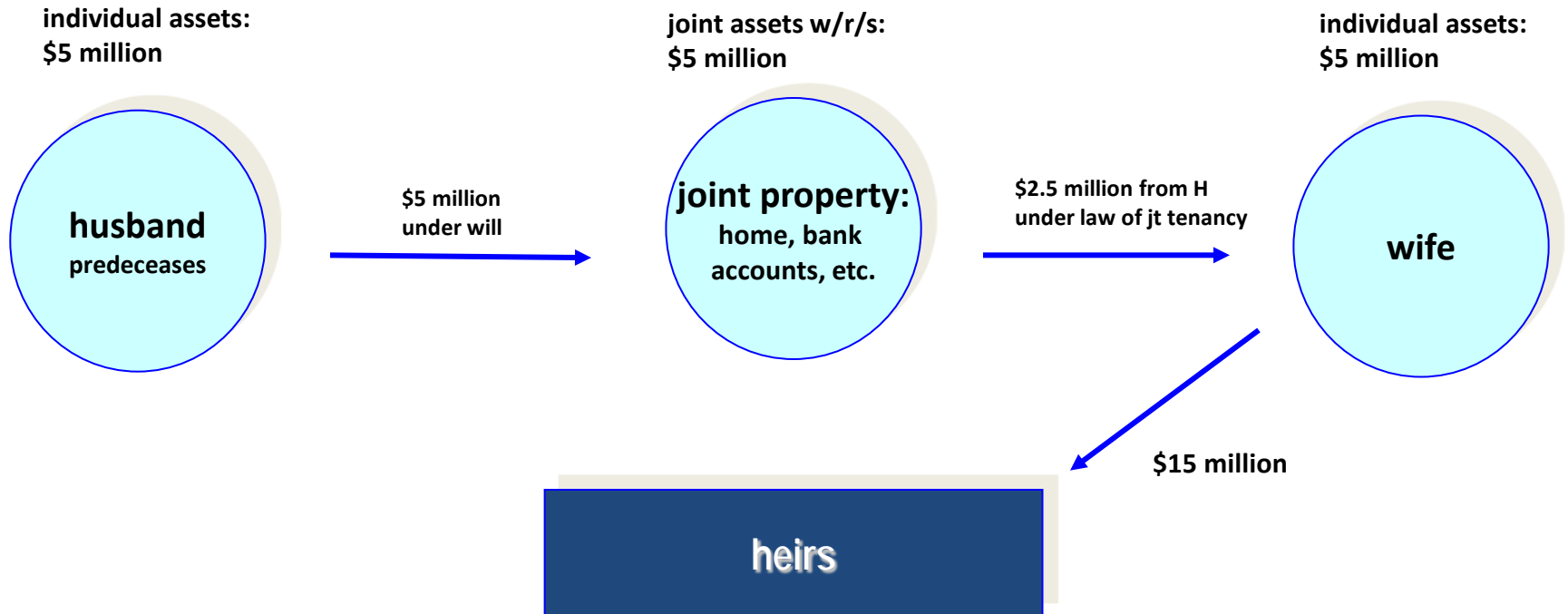
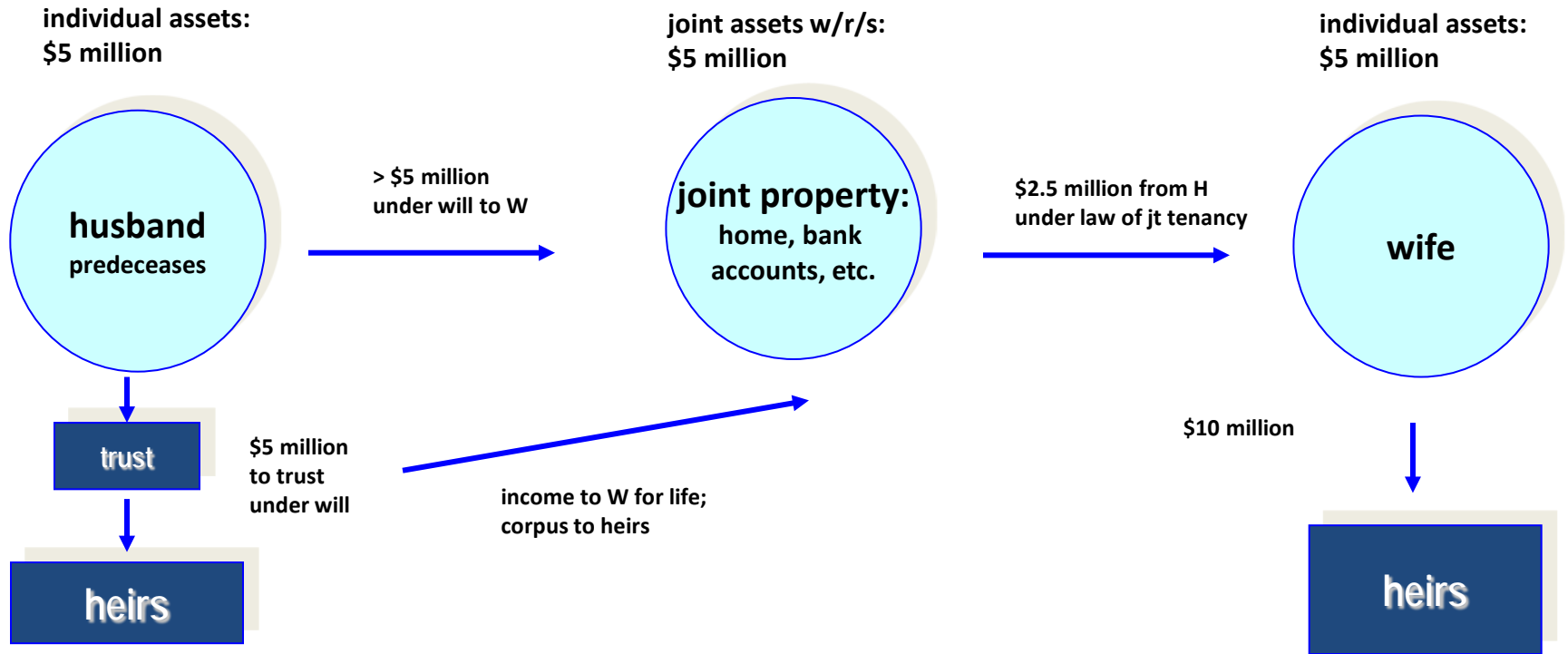


Joint Estate of Husband & Wife



1. Husband dies first; leaves all to wife: exempt from estate or gift tax under marital exemption
2. Wife dies: \$5 million lifetime exemption shelters \$5 million; 35% tax on \$10 million = \$3.5 million
3. heirs get \$11.5 million

Joint Estate of Husband & Wife



1. Husband dies first; leaves \$5 million in trust, with income to wife for life and corpus to heirs;
2. \$5 million uses H's \$5 million exemption; transfers to W exempt from estate or gift tax under marital exemption
3. Wife dies: leaves \$10 million to heirs;
4. lifetime exemption shelters \$5 million; 35% tax on \$5 million = \$1.75 million
4. heirs get \$13.25 million = \$1.75 million savings