

Estate Taxes and Revocable Trusts

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The current thresholds required to trigger a federal estate tax are very high - nearly \$5.5 million for single individuals and by including A/B provisions in your living trust, almost \$11 million for married couples. As a result, few individuals have significant enough wealth to worry about triggering a federal estate tax liability.

The A/B Provisions are designed to save on estate taxes by leaving some property to irrevocable “B” trust , but allowing the surviving spouse to use it (and any income it produces) during their lifetime. That way, the surviving spouse does not legally own the property, and it won't be subject to estate tax at their death.