

Estate and Transfer Planning Under the “New Normal”

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October 29, 2015

I. Overview of Transfer Planning Strategies

- §1014(f) basis consistency requirement

- §6035 reporting requirement

2. Treasury-IRS Priority Guidance Plan

- QTIP trusts and portability (Rev. Proc. 2001-38)

- New Items: 1) CRATs;

 - 2) Basis of assets in grantor trust after grantor’s death;

 - 3) Valuation of notes; and

 - 4) Defined value clauses

- Section 2704 anticipated proposed regulations

- Closing letters

3. Overview of Practice Trends in the Current Environment

- Transfer planning still important for wealthy families

- Be very careful in giving low basis assets

- Grantor trust planning still advantageous

- Estate and trust distribution planning

4. Portability

- Financial Impact

5. Basis Adjustment Flexibility Planning

- Using third parties’ exemption amounts

6. Basis Background
7. Transfer Planning Strategies
 - Leveraged GRAT
8. IRS's Radar Screen
9. Sales to Grantor Trusts (*Woelbing* and *Beyer* pending Tax Court cases)
10. Self-Canceling Installment Notes
 - Davidson* settlement
 - Davidson* malpractice action
11. Strategies for Leaving Flexibility of Possible Access to Gift Funds by Donor's Spouse (or Even by Donor)
12. Giving Business Interests to Charity