Contents

PART I ESTATE PLANNING: A PRACTICE-ORIENTED APPROACH

СНА	PTER 1	HOW T	TO USE THIS BOOK	1-1
1.1	Locating	g the Proper	Form and Use of Accompanying	
	Material	ls		1-1
1.2	The Thr	ee Major Wi	ill and Trust Forms Headings	1-1
1.3	Wills as	Primary Tes	stamentary Instruments—Five Categories	1-2
1.4	Revocab	ole (Living)	Trusts and Pour-Over Wills (Part VII)—	
	Five Cat	egories		1-2
1.5	Irrevoca	ble Trusts (F	Part VIII)—Five Categories	1-3
1.6	Alternat	ive Forms an	nd Clauses	1-3
1.7	Summar	y		1-3
СНА	PTER 2	ESTAT	E PLANNING: ESSENTIAL	
		_	CTIVES	2-1
2.1			Planning Objectives: Disposition of	
			dance	2-1
	2.1.1	-	Estate Planning	2-1
	2.1.2		Planning	2-2
2.2	Initiating the Estate Planning Process: Strategies and			
				2-2
	2.2.1		ng the Different Segments	2-2
	2.2.2		ent Contact: Objectives	2-2
		*Form 2-1	E	
			Client Contact—to Accompany	
			Estate Planning Questionnaire	2-3
		*Form 2-2	8	2.4
		*F 0.0	Married Client	2-4
		*Form 2-2	A: Estate Planning Questionnaire—for Single Client	2-14
	2.2.3	Effective C	Gathering of Client Information: The Client	
		Estate Plan	nning Questionnaire	2-20
		2.2.3.1	Family Information	2-20
		2.2.3.2	Assets and Liabilities	2-21
	2.2.4	Initial Clie	ent Meeting	2-21
		2.2.4.1	Information Gathering	2-21

		2.2.4.2	Dispositive Goals	2-22
		2.2.4.3	Selection of Fiduciaries and Guardians	2-22
		2.2.4.4	Wills vs. Probate Substitutes	2-22
			*Form 2-3: Memorandum to Client Re:	
			Advantages and	
			Disadvantages of Revocable	
			Trusts vis-à-vis	2 22
		2245	Wills in Kentucky	2-22
2 2	Matuma	2.2.4.5	Powers of Attorneythe Estate Planning Engagement and	2-24
2.3			the Estate Planning Engagement and	2-25
	2.3.1	•	the Engagement and Fee	2-25
	2.3.1	*Form 2-4:		2-23
		1 01111 2 4.	Dual Representation Provisions	2-25
	2.3.2	Establishing	g the Fee	2-27
	2.3.3		les in Representing Both Husband	
				2-27
			DA DT II	
	SIMP	o r wii i s	PART II S: FOR MARRIED COUPLES WITH	
			ATES NOT EXCEEDING LIFETIME	
			PLICABLE EXCLUSION AMOUNT)	
СПУ	PTER 3		E WILLS FOR MARRIED COUPLES	
CHA	IILKS		WILLS FOR MARKIED COULLES	
2 1		WITHA	ADULT CHILDREN	3-1
3.1	Overvie		ADULT CHILDREN	3-1 3-1
3.1	Overvie 3.1.1	w		
3.1		w Overall Sur		
3.1	3.1.1	Overall Sur Wills in Ca	nmary of Dispositive Provisions for	3-1
	3.1.1	w	mmary of Dispositive Provisions for tegory	3-1
	3.1.1 Pure "S	Overall Sur Wills in Caweetheart" W Summary o	mmary of Dispositive Provisions for tegory	3-1 3-1 3-2
	3.1.1 Pure "S 3.2.1	Overall Sur Wills in Ca weetheart" W Summary o When to Us	nmary of Dispositive Provisions for tegory	3-1 3-1 3-2 3-2
	3.1.1 Pure "So 3.2.1 3.2.2	Overall Sur Wills in Ca weetheart" W Summary o When to Us Estate Tax (mmary of Dispositive Provisions for tegory	3-1 3-2 3-2 3-2
	3.1.1 Pure "S 3.2.1 3.2.2 3.2.3	Overall Sur Wills in Ca weetheart" W Summary o When to Us Estate Tax (mmary of Dispositive Provisions for tegory	3-1 3-1 3-2 3-2 3-2 3-2.1
	3.1.1 Pure "S 3.2.1 3.2.2 3.2.3	Overall Sur Wills in Car weetheart" W Summary o When to Us Estate Tax O	mmary of Dispositive Provisions for tegory	3-1 3-1 3-2 3-2 3-2 3-2.1
	3.1.1 Pure "S 3.2.1 3.2.2 3.2.3	Overall Sur Wills in Car weetheart" W Summary o When to Us Estate Tax O	mmary of Dispositive Provisions for tegory	3-1 3-2 3-2 3-2 3-2.1 3-3
	3.1.1 Pure "S 3.2.1 3.2.2 3.2.3	Overall Sur Wills in Car weetheart" W Summary o When to Us Estate Tax O Forms for S	mmary of Dispositive Provisions for tegory fills—Outright to Spouse fi Dispositive Provisions se These Wills Consequences Simple "Sweetheart" Wills Husband with Adult Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, Outright to Adult Children	3-1 3-1 3-2 3-2 3-2 3-2.1 3-3
	3.1.1 Pure "S' 3.2.1 3.2.2 3.2.3 3.2.4	Overall Sur Wills in Car weetheart" W Summary o When to Us Estate Tax O Forms for S *Form SW-	mmary of Dispositive Provisions for tegory fills—Outright to Spouse fi Dispositive Provisions se These Wills Consequences Simple "Sweetheart" Wills -1H: Husband with Adult Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, Outright to Adult Children W: Companion Will to SW-1H.	3-1 3-2 3-2 3-2 3-2.1 3-3 3-3
	3.1.1 Pure "S' 3.2.1 3.2.2 3.2.3 3.2.4	Overall Sur Wills in Car weetheart" W Summary o When to Us Estate Tax O Forms for S *Form SW-	mmary of Dispositive Provisions for tegory fills—Outright to Spouse fi Dispositive Provisions se These Wills Consequences Simple "Sweetheart" Wills Husband with Adult Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, Outright to Adult Children	3-1 3-1 3-2 3-2 3-2 3-2.1 3-3

	3.3.1	Overall Sun	nmary of Dispositive Provisions	3-9
	3.3.2	Terms of Ma	arital Trusts—How They Work	3-10
	3.3.3	When to Use	e These Wills	3-10
	3.3.4	Comparison	of Marital/QTIP vs. Marital/Power	
		of Appointm	nent (POA) Trust	3-11
		3.3.4.1	Marital/QTIP Trust	3-11
		3.3.4.2	Marital/POA Trust	3-11
	3.3.5	Estate Tax C	Consequences	3-11
	3.3.6	Forms for "S	Sweetheart/Trust" Wills	3-12
		Form SW-21	H: Husband with Adult Children: Gift	
			of Residuary Estate to Marital	
			(QTIP) Trust, for Benefit of Spouse	
			for Life, Remainder to Adult	
			Children; if Spouse Does Not Survive	
			outright to Adult Children	3-12
		Form SW-2	1	3-12
		Form SW-31		
			Gift of Residuary Estate to Marital POA Trust, for Benefit of Spouse	
			for Life, Remainder to Distributees	
			Appointed by Surviving Spouse;	
			upon Failure to Exercise Power,	
			Remainder to Adult Children; if	
			Spouse Does Not Survive, Outright	
			to Adult Children	3-12
		Form SW-3	W: Companion Will to SW-3H	3-12
		*Form SW-2	2/3: Simple Will with Marital Trust:	
			Gift of Residuary Estate to Marital	
			(QTIP or Power of Appointment)	
			Trust for Benefit of Spouse for Life,	
			Remainder to Adult Children; if	
			Spouse Does Not Survive, Outright	2 12
	2.2.7	TZ A .:	to Adult Children	3-12
	3.3.7	-	Subjects for Strategic Planning	3-25
3.4			erty Outright to Children (No Provision	2 25
				3-25
	3.4.1	•	Dispositive Provisions	3-26
	3.4.2		e These Wills	3-26
	3.4.3		Consequences	3-26
	3.4.4		ouse's Right of Election in Kentucky	3-26
	3.4.5	Will Forms	for Outright Disposition of Children	3-27

		*Form SW-4H:	Male Testator with Adult Children Whose Spouse Has Either Predeceased Him or Is Not to Be Left Anything under Will: Outright Gift of Residuary Estate to Adult Children.	3-27
		Form SW-4W:	Companion Will to SW-4H	3-27
	3.4.6	Key Action Subje	ects for Strategic Planning	3-33
CHA	APTER 4		LLS FOR MARRIED COUPLES OR CHILDREN	4-1
4.1	Overvie	w		4-1
	4.1.1		of Dispositive Provisions for	4-1
4.2			to Spouse Outright, with Contingent	4-2
	4.2.1	Summary of Disp	positive Provisions	4-2
	4.2.2	Distribution of Se	eparate Children's Trusts	4-3
	4.2.3	Distribution of Po	ot Trust for Children	4-3
	4.2.4	When to Use The	se Wills	4-4
	4.2.5	Estate Tax Conse	quences	4-4
	4.2.6	Forms for "Sweet	theart" Wills with Contingent	
		Trusts for Childre	en	4-4
		Form SW-5H:	Husband with Minor Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, to Separate Trusts for Children— Complete Distribution at Age 21	4-4
		Form SW-5W:	Companion Will to SW-5H	4-4
		Form SW-6H:	Husband with Minor Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, to Pot Trust for Children—until Youngest Child Attains Age of 21	4-4
		Form SW-6W:	Companion Will to SW-6H	4-4
		*Form SW-5/6:	Simple Will—Married Testator with Minor Children: Outright Gift of Residuary Estate to Spouse, if Surviving; if Not, to Children in Trust (with Alternate Dispositive	4.5
	127	Mars Andrew C. 1.	Provisions for Trusts)	4-5
	477	Key Action Subje	ocie for Strategic Planning	4-17

4.3	Sweeth	eart/Trust Wills—to	art/Trust Wills—to Spouse in Trust with Contingent			
				4-17		
	4.3.1	Summary of Disp	positive Provisions	4-18		
	4.3.2		s of Marital Trusts	4-19		
	4.3.3	•	rnatives for Children's Trusts	4-19		
	4.3.4	When to Use The	ese Wills	4-20		
	4.3.5		Iarital/QTIP vs. Marital/POA			
		Trust				
	4.3.6	Estate Tax Consequences				
	4.3.7		theart Trust" Wills with			
		Children's Trusts		4-21		
		Form SW-7H:	Husband with Minor Children: Gift of Residuary Estate to Marital (QTIP) Trust for Benefit of Spouse for Life, Remainder to Separate Trusts for Children—Complete Distribution at Age 21; if Spouse Does Not Survive, to Separate Trusts for Children—Complete Distribution at Age 21	4-21		
		Form SW-7W:	Companion Will to SW-7H	4-21		
		Form SW-8H:	Husband with Minor Children: Gift of Residuary Estate to Marital (QTIP) Trust for Benefit of Spouse for Life, Remainder to Pot Trust for Children—Complete Distribution when Youngest Child Attains Age 21; if Spouse Does Not Survive, to Children's Pot Trust	4-21		
		Form SW-8W:	Companion Will to SW-8H	4-21		
		Form SW-9H:	Husband with Minor Children: Gift of Residuary Estate to Marital Power of Appointment Trust for Benefit of Spouse for Life, Remainder to Distributees Appointed by Surviving Spouse; upon Failure to Exercise Power, Remainder to Children in Separate Trusts— Complete Distribution at Age 21; if Spouse Does Not Survive, to Separate Trusts for Children— Complete Distribution at Age 21	4-21		
		Form SW-9W:	Companion Will to SW-9H	4-21		

		Form SW-10H:	Husband with Minor Children: Gift of Residuary Estate to Marital Power of Appointment Trust for Benefit of Spouse for Life, Remainder to		
			Distributees Appointed by Surviving Spouse; upon Failure to Exercise Power, Remainder to Children in Pot Trust until Youngest Child Attains Age 21; if Spouse Does Not Survive, to Pot Trust until Youngest Child Attains Age 21	4-21	
		Form SW-10W:	Companion Will to SW-10H	4-21	
		*Form SW-7-10:	Husband with Minor Children: Gift of Residuary Estate to Marital (Alternative Clauses for QTIP and Power of Appointment) Trust for Benefit of Spouse for Life, Remainder to Trust for Children (Alternative Clauses for Separate Trusts and Pot Trust); if Spouse Does Not Survive, to Trust for Children (Alternative Clauses for Children (Alternative Clauses for		
	4.2.0		Separate Trusts and Pot Trust)	4-22	
	4.3.8	•	cts for Strategic Planning	4-37	
4.4			utright to Trust for Minor Children	4-38	
	4.4.1	Summary of Dispo	ositive Provisions	4-38	
	4.4.2	When to Use Thes	se Wills	4-38	
	4.4.3	Estate Tax Consec	quences	1-38.1	
	4.4.4	Caution: Spouse's Right of Election in Kentucky 4			
	4.4.5		risposing of Property to Trust for	4-39	
		Form SW-11H:	Male Testator with Minor Children Whose Spouse Has Predeceased Him, or Is to Be Given No Interest under Will: Gift of Residuary Estate to Separate Trusts for Children— Complete Distribution at Age 21	4-39	
		Form SW-11W:	Companion Will to SW-11H	4-39	
		Form SW-12H:	Male Testator with Minor Children Whose Spouse Has Predeceased Him, or Is to Be Given		
			No Interest under Will: Gift of		

			Residuary Estate to Pot Trust until Youngest Child Attains Age of 25	4-39
		Form SW-12W:		4-39
		*Form SW-11/12:	Companion Will to SW-12H Testator with Minor Children Whose Spouse Has Predeceased Him, or Is to Be Given No Interest under Will: Gift of Residuary Estate to Trust for Children (Alternate Clauses	
	4.4.6	Vay Action Subject	for Separate Trusts and Pot Trust) ts for Strategic Planning	4-39 4-51
	4.4.0	Key Action Subjec	is for Strategic Framming	4-31
		I	PART III	
			VITH CREDIT SHELTER/BYPA	
			ON WITH MARITAL BEQUEST	
((_	UST): FOR MARRIED COUPLI ATES EXCEEDING LIFETIME	
		:-	ABLE EXCLUSION AMOUNT)	
OTT 1		`	,	
СНА	PTER 5		PLANNING WITH CREDIT PASS TRUSTS	5-1
5.1	Effective		ime Exemption through Trusts	5-1
5.2			ill Pitfall and the Credit	
			n	5-2
5.3	Working	s of the Bypass Trus	st	5-3
5.4	Alternati	ives for Structuring	Bypass Trusts	5-4
5.5	The "A-l	B" Will System and	Formula Clauses	5-5
СНА	PTER 6	SHELTER/BYI COMBINATIO (OUTRIGHT (MARRIED CO	NG WILLS WITH CREDIT PASS TRUSTS IN ON WITH MARITAL BEQUEST OR QTIP TRUST)—FOR OUPLES WITH COMBINED CEEDING LIFETIME	
			•••••	6-1
5.1			Outright Marital Bequest—	<i>6</i> 1
	6.1.1		dult Childrenn of Wills	6-1 6-1
	6.1.2	-	sitive Provisions	6-2
	6.1.3		of Dispositive Provisions of	0-2
	0.1.3		ass Trust and Estate Tax Effects	6-2
	6.1.4		e Wills	6-3
	6.1.5		iences	6-4

6.1.6	Will Forms with	Bypass Trust and Outright Marital	6-4
	Form TP-1H:	Marital Bequest Outright to Spouse; Credit Shelter Bequest to Residuary/Bypass Trust with Income and Principal to Spouse, Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants, per stirpes	6-4
	Form TP-1W:	Companion Will to TP-1H	6-4
	Form TP-2H:	Marital Bequest Outright to Spouse; Credit Shelter Bequest to Residuary/ Bypass Trust with Spray of Income and Principal to Spouse and Children, Remainder (or Entire Estate if Spouse Does Not Survive) to Living	
		Descendants, per stirpes	6-4
	Form TP-2W:	Companion Will to TP-2H	6-5
	Form TP-3H:	Marital Bequest Outright to Spouse; Credit Shelter Bequest to Residuary/ Bypass Trust with Income to Spouse, Spray of Principal to Spouse and Children, Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants, <i>per stirpes</i>	6-5
	Form TP-3W:	Companion Will to TP-3H	6-5
	*Form TP-1–3:	Testator with Adult Children: Outright (Pecuniary) Marital Deduction Bequest to Spouse of Amount in Excess of Unified Credit Equivalent; Residuary Estate to Credit Shelter/Bypass Trust: During Lifetime of Surviving Spouse—Three Alternative Dispositive Methods of Distribution from Trust, Remainder Outright to Living Descendants, per stirpes; if Spouse Does Not Survive, Residuary Estate Outright to Living Descendants, per stirpes	6-5
6.1.7	Client Presentation	on Charts for TP-1, TP-2, and TP-3	6-16
6.1.8		ects for Strategic Planning	6-18

6.2		* *	nd Outright Marital Bequest for nor Children	6-19	
		-		6-19	
	6.2.1	=	tion of Wills		
	6.2.2		y of Dispositive Provisions	6-19	
	6.2.3		ry of Dispositive Provisions of	C 10	
			ypass Trust and Estate Tax Effects	6-19	
	6.2.4		ese Wills	6-24	
	6.2.5	Estate Tax Consequences 6			
	6.2.6	Forms for Bypas	Forms for Bypass Trust and Outright Marital—		
		with Trusts for C	with Trusts for Children 6		
		Form TP-4H:	Marital Bequest Outright to Spouse; Credit Shelter Bequest to		
			Residuary/Bypass Trust with		
			Income and Principal to Spouse,		
			Remainder (or Entire Estate if Spouse		
			Does Not Survive) to Living		
			Descendants, per stirpes (Separate	c 05	
			Trusts for Descendants under 30)	6-25	
		Form TP-4W:	Companion Will to TP-4H	6-25	
		Form TP-5H:	Marital Bequest Outright to		
			Spouse; Credit Shelter Bequest to		
			Residuary/Bypass Trust with		
			Spray of Income and Principal to		
			Spouse and Children, Remainder (or		
			Entire Estate if Spouse Does Not		
			Survive) to Living Descendants, <i>per stirpes</i> (Separate Trusts for		
			Descendants under 30)	6-25	
		Form TP-5W:		6-25	
			Companion Will to TP-5H	0-23	
		Form TP-6H:	Marital Bequest Outright to Spouse;		
			Credit Shelter Bequest to Residuary/Bypass Trust with		
			Income to Spouse and Spray of		
			Principal to Spouse and Children,		
			Remainder (or Entire Estate if Spouse		
			Does Not Survive) to Living		
			Descendants, per stirpes (Separate		
			Trusts for Descendants under 30)	6-25	
		Form TP-6W:	Companion Will to TP-6H	6-25	
		Form TP-7H:	Marital Bequest Outright to Spouse;		
		1 OIIII 11 -/11.	Credit Shelter Bequest to Residuary/		
			Bypass Trust with Income and		
			Principal to Spouse, Remainder		

	(or Entire Estate if Spouse Does	
	Not Survive) to Living Descendants,	
	per stirpes (Pot Trust until Youngest	
	Child Attains 25)	6-25
Form TP-7W:	Companion Will to TP-7H	6-25
Form TP-8H:	Marital Bequest Outright to	
	Spouse; Credit Shelter Bequest to	
	Residuary/Bypass Trust with	
	Spray of Income and Principal to	
	Spouse and Children, Remainder	
	(or Entire Estate if Spouse Does	
	Not Survive) to Living Descendants,	
	per stirpes (Pot Trust until	
	Youngest Child Attains 25)	6-25
Form TP-8W:	Companion Will to TP-8H	6-25
Form TP-9H:	Marital Bequest Outright to Spouse;	
	Credit Shelter Bequest to Residuary/	
	Bypass Trust with Income to Spouse	
	and Spray of Principal to Spouse and	
	Children, Remainder (or Entire Estate	
	if Spouse Does Not Survive) to Living	
	Descendants, per stirpes (Pot Trust	
	until Youngest Child Attains 25)	6-25
Form TP-9W:	Companion Will to TP-9H	6-25
*Form TP-4-9:	Testator with Minor Children:	
	Outright (Pecuniary) Marital	
	Deduction Bequest to Spouse	
	of Amount in Excess of	
	Unified Credit Equivalent;	
	Residuary Estate to Credit	
	Shelter/Bypass Trust (with Three	
	Alternative Methods for Distribution	
	from Trust), Remainder to Living	
	Descendants, per stirpes (with	
	Alternatives of Separate Trusts or	
	Pot Trust); if Spouse Does	
	Not Survive, Residuary Estate	
	to Living Descendants, per stirpes	
	(with Alternatives for Separate	6.00
	Trusts or Pot Trust)	6-26
	n Charts for TP-4, TP-5, TP-6,	C 40
	P-9	6-40
Key Action Subject	ets for Strategic Planning	6-46

6.2.7

6.2.8

CHA	APTER 7	MARITAL/Q IN COMBINA ("B" SHARE)	TAX PLANNING WITH TIP TRUSTS ("A" SHARE) ATION WITH BYPASS TRUST): THE "A-B" TRUST E	7-1
7.1	Descrip		rust Structure	7-1
7.2	The Ma	rital Trust in Gener	al	7-1
7.3			luction and Strategic Planning with	
	_			7-1
7.4	Federal	Tax Requirements	of QTIP Trusts	7-3
СНА	APTER 8	AND BYPASS COUPLES W EXCEEDING	ING WILLS WITH QTIP S TRUSTS: FOR MARRIED ITH COMBINED ESTATES G LIFETIME EXEMPTION Y FORMULA)	8-1
8.1	Wills w		ss Trusts—for Married Couples	01
	with Ad	ult Children		8-1
	8.1.1	General Description	ion of Wills	8-1
	8.1.2	Summary of Disp	positive Provisions	8-1
	8.1.3		positive Provisions and Estate Tax	
			l and Credit Shelter/Bypass Trusts	8-2
	8.1.4		se Wills	8-2
	8.1.5		quences	8-2
	8.1.6		QTIP and Bypass Trusts—	0.2
		Form TP-10H:	with Adult Children	8-3 8-3
		Form TP -10W:	Companion Will to TP-10H	8-3
		Form TP-11H:	Marital Bequest to QTIP Trust; Credit Shelter Bequest to Residuary/Bypass Trust with Spray of Income and Principal to Spouse and Children; Remainder (or Entire Estate if Spouse Does Not Survive) to Living	
			Descendants, per stirpes	8-3
		Form TP-11W:	Companion Will to TP-11H	8-3

		Form TP-12H:	Marital Bequest to QTIP Trust; Credit Shelter Bequest to Residuary/	
			Bypass Trust with Income to	
			Spouse, Spray of Principal to Spouse and Children; Remainder (or Entire	
			Estate if Spouse Does Not Survive)	
			to Living Descendants, per stirpes	8-3
		Form TP-12W:	Companion Will to TP-12H	8-3
		*Form TP-10–12:	Testator with Adult Children:	0 3
		10IIII 11-10-12.	Marital (Pecuniary) Bequest	
			to Marital (QTIP) Trust for	
			Benefit of Spouse of Amount	
			in Excess of Unified Credit	
			Equivalent; Residuary Estate to	
			Credit Shelter Bypass Trust:	
			During Lifetime of Surviving	
			Spouse—Three Alternative	
			Dispositive Methods of	
			Distributions from Trust,	
			Remainder Outright to Living	
			Descendants, <i>per stirpes;</i> if Spouse Does Not Survive,	
			Residuary Estate Outright to Living	
			Descendants, per stirpes	8-4
	8.1.7	Client Presentation	n Charts for TP-10, TP-11,	
	0.1.7			8-17
	8.1.8	Key Action Subject	ets for Strategic Planning	8-20
8.2			s Trusts—Married Couples with	
	Minor (Children		8-21
	8.2.1	General Description	on of Wills	8-21
	8.2.2	Summary of Dispo	ositive Provisions	8-21
	8.2.3	Summary of Dispo	ositive Provisions and Tax Effects	
		of Marital and Cre	dit Shelter/Bypass Trusts	8-22
	8.2.4	When to Use Thes	e Wills	8-22
	8.2.5	Estate Tax Conseq	uences	8-23
	8.2.6	Form Wills with Q	TIP and Bypass Trust—for	
		Married Couples v	vith Minor Children	8-23
		Form TP-13H:	Marital Bequest to QTIP Trust;	
			Credit Shelter Bequest to Residuary/	
			Bypass Trust with Income and	
			Principal to Spouse; Remainder	
			(or Entire Estate if Spouse Does	
			Not Survive) to Living	

8-23
0.00
8-23
8-23
8-23
0.22
8-23
8-24
į
8-24
8-24
8-24
8-24

		Form TP-18H:	Marital Bequest to QTIP Trust; Credit Shelter Bequest to Residuary/Bypass Trust with Income to Spouse and Spray of Principal to Spouse and Children; Remainder (or Entire	
			Estate if Spouse Does Not Survive)	
			to Living Descendants, per stirpes	
			(Pot Trust until Youngest Child	
			Attains 25)	8-24
		Form TP-18W:	Companion Will to TP-18H	8-24
		*Form TP-13–18:	Testator with Minor	
			Children: Marital (Pecuniary)	
			Bequest to Marital (QTIP) Trust	
			for Benefit of Spouse of Amount	
			in Excess of Unified Credit	
			Equivalent; Residuary Estate to Credit Shelter/Bypass Trust:	
			During Lifetime of Surviving	
			Spouse—Three Alternative	
			Dispositive Methods of Distributions	
			from Trust, Remainder Outright	
			to Living Descendants, per	
			stirpes (with Alternatives of	
			Separate Trusts or Pot Trust);	
			if Spouse Does Not Survive,	
			Residuary Estate to Living	
			Descendants, per stirpes	
			(with Alternatives for Separate	0.24
	0.0.5		Trusts or Pot Trust)	8-24
	8.2.7		Charts for TP-13, TP-14,	0.40
	0.2.0		17, and TP-18	8-40
	8.2.8	Key Action Subjec	ets for Strategic Planning	8-50
СНА	PTER 9	TAX PLANNI	NG WILLS WITH MARITAL	
			REDIT SHELTER ("B")	
		SHARES: USE	OF PECUNIARY CREDIT	
		SHELTER AN	D RESIDUARY MARITAL	
			REVERSE PECUNIARY	
		,	WHERE ONE SPOUSE HAS	
			TATE IN EXCESS OF TWO	0.1
7 1	0		TIME EXEMPTION	9-1
9.1			siderations	9-1
9.2		•	with Bypass Trust and	0.2
	Outright	. iviaritai Bequest—I	Married Couples with Children	9-2

	9.2.1	General Description	on of Wills	9-2	
	9.2.2	Summary of Dispositive Provisions			
	9.2.3	When to Use Thes	se Wills	9-2	
	9.2.4	Estate Tax Consequences			
	9.2.5		cuniary Wills with Bypass		
		Trust and Outright Marital Bequest		9-3	
		*Form TP-19H:	Husband with Adult Children: Pecuniary Bequest to Credit Shelter/Bypass—During Lifetime of Spouse, Spray Trust for Benefit of Spouse and Descendants, Remainder Outright to Living Descendants, per stirpes; Residuary Estate (Amount in Excess of Unified Credit Equivalent) to Spouse; to Credit Shelter Trust; if Spouse Does Not Survive,		
			Residuary Estate Outright to		
			Living Descendants, per stirpes	9-4	
		Form TP-19W:	Companion Will to TP-19H	9-4	
	9.2.6	Client Presentatio	n Chart for TP-19	9-14	
9.3		•	for Married Couples with Adult	9-15	
	9.3.1	-	on of Wills	9-15	
	9.3.2	_	ositive Provisions	9-15	
	9.3.3	• •	se Wills	9-16	
	9.3.4		quences	9-16	
	9.3.5		cuniary Wills with QTIP and	<i>)</i> 10	
	7.3.3			9-17	
		*Form TP-20H:	Husband with Adult Children: Reverse Pecuniary Bequest to Credit Shelter/BYPASS Trust During Lifetime of Spouse, Spray Trust for Benefit of Spouse and Descendants, Remainder Outright to Living Descendants, per stirpes; Residuary Estate (Amount in Excess of Unified Credit Equivalent) to Marital (QTIP) Trust for Benefit of Spouse, Remainder to Living		
			Descendants, <i>per stirpes</i> ; if Spouse		

			Disclaims Marital Bequest, to Credit Shelter Trust; if Spouse Does Not Survive, Residuary Estate Outright to Living Descendants,	0.45
		E	per stirpes	9-17
	0.0.6	Form TP-20W:	Companion Will to TP-20H	9-17
	9.3.6		n Chart for TP-20	9-29
9.4		•	with Bypass Trust and Outright I Couples with Minor Children	9-30
	9.4.1	General Description	on of Wills	9-30
	9.4.2	Summary of Dispo	ositive Provisions	9-31
	9.4.3	When to Use Thes	se Wills	9-31
	9.4.4	Estate Tax Conseq	uences	9-32
	9.4.5	Form Reverse Pec	uniary Wills with Bypass Trust	
		and Outright Mari	tal Bequest	9-32
		Form TP-21H:	Pecuniary Credit Shelter Bequest to Bypass Trust for Benefit of Spouse and Children; Marital Bequest Outright to Spouse; Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants, per stirpes (Separate Trusts for	
			Children under 30)	9-32
		Form TP-21W:	Companion Will to TP-21H	9-32
		Form TP-22H:	Pecuniary Credit Shelter Bequest to Bypass Trust for Benefit of Spouse and Children; Marital Bequest Outright to Spouse; Remainder (or Entire Estate if Spouse Does Not Survive) to Pot Trust until Youngest Child	
			Attains 25	9-33
		Form TP-22W:	Companion Will to TP-22H	9-33
		*Form TP-21/22:	Married Testator with Minor Children: Pecuniary Bequest to Credit Shelter/Bypass Trust—During Lifetime of Spouse, Spray Trust for Benefit of Spouse and Descendants, Remainder to Trusts for Children (Alternative Clauses for Separate Trusts or Pot Trust); Residuary Estate (Amount in Excess of Unified Credit Equivalent) to	

			Spouse; if Spouse Disclaims Marital Bequest, to Credit Shelter Trust; if Spouse Does Not Survive, Residuary Estate to Trusts for Children (Alternative Clauses	0.22
	0.4.6	City Description	for Separate Trusts or Pot Trust)	9-33
o =	9.4.6		n Charts for TP-21 and TP-22	9-47
9.5			or Married Couples with Minor	0.40
		-	CW/H.	9-49
	9.5.1	-	on of Wills	9-49
	9.5.2		ositive Provisions	9-49
	9.5.3		e Wills	9-50
	9.5.4	-	uences	9-51
	9.5.5		uniary Wills with QTIP	
		• •		9-51
		Form TP-23H:	Pecuniary Credit Shelter Bequest to Bypass Trust; Marital Bequest to QTIP Trust; Remainder of Trusts (or Entire Estate if Spouse Does Not Survive) to Living Descendants, <i>per stirpes</i> (Separate Trusts for Children under 30)	9-51
		Form TP-23W:	· · · · · · · · · · · · · · · · · · ·	9-51
		Form TP-24H:	Companion Will to TP-23H	
		E	until Youngest Child Attains 25	9-51
		Form TP-24W:	Companion Will to TP-24H	9-51
		*Form TP-23/24:	Married Testator with Minor Children: Reverse Pecuniary Bequest to Credit Shelter/Bypass Trust—During Lifetime of Spouse, Spray Trust for Benefit of Spouse and Descendants, Remainder to Trusts for Children (Alternative Clauses for Separate Trusts or Pot Trust); Residuary Estate (Amount in Excess of Unified Credit Equivalent) to Marital/QTIP Trust for Benefit of Spouse (if Disclaimed, to Credit	
			Shelter Trust); if Spouse Does	

				arvive, Residuary Estate	
				st for Children (Alternative es for Separate Trusts or	
				ust)	9-52
	9.5.6	Client Pres		s for TP-23 and TP-24	9-67
					9-07
	9.5.7	Key Action	Subjects for S	trategic Planning	9-70
			PART	IV	
				WILLS WITH DISCLAIMI	
				WITH COMBINED ESTAT	
				ED TO EXCEED LIFETIM	
E .	XEMPT	ION OR W	HO DESIR	E A FLEXIBLE APPROAC	H
CHA	PTER 10	STRAT	EGIC PLANN	ING WITH	
				AIMER TRUSTS	10-1
10.1	Overvie	w of the Disc	claimer Trust T	echnique	10-1
10.2	Require	ments of a Q	ualified Discla	imer	10-2
	10.2.1	Federal Tax	Requirements	s and Consequences	10-2
	10.2.2	The Kentuc	cky Disclaimer	Law	10-3
		10.2.2.1	Classes of Inc	dividuals Who May	
			Disclaim und	er Kentucky Law	10-3
		10.2.2.2		and Place for Filing	
					10-3
		10.2.2.3		ements under Kentucky	
					10-4
			Form 10-1:	Disclaimer of Shares of	10.4
			F 40.0	Stock under Will	10-4
			Form 10-2:	Disclaimer of Interest under Irrevocable Trust	10-5
10.3	W/l I	. Disalaima		neral	10-3
					10-7
10.4				ough a Disclaimer:	10-8
10.5		•			10-8
10.5	10.5.1			ing Lifetime Exemption	10-10
	10.5.1		i of the increas		
				rap"	10-10
	10.5.2			=	10-11
	10.5.3			antages of Disclaimer	-0 11
	10.0.0			=	10-11

CHA	PTER 11		NG WILLS WITH R TRUSTS	11-1
1.1	Disclaim		d Couple with Adult Children	11-1
	11.1.1		ositive Provisions	11-1
	11.1.2	-	ositive Provisions and Tax Effects	11 1
	11.1.2	•	st	11-1
	11.1.3		se Wills	11-3
	11.1.4		uences	11-3
	11.1.5		Disclaimer Trusts—Married	11 5
	11.1.5		It Children	11-4
		Form DW-1H:	Gift of Residuary Estate Outright to Spouse with Disclaimer Option to "Disclaimer Trust" for Benefit of Spouse, Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants,	
			per stirpes	11-4
		Form DW-1W:	Companion Will to DW-1H	11-4
		Form DW-2H:	Gift of Residuary Estate Outright to Spouse with Disclaimer Option to "Disclaimer Trust" for Benefit of Spouse and Descendants During Spouse's Life (Preference to Spouse), Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants, per stirpes	11-4
		Form DW-2W:	Companion Will to DW-2H	11-4
		Form DW-3H:	Gift of Residuary Estate Outright to Spouse with Disclaimer Option to "Disclaimer Trust" (Income to Spouse, Spray of Principal to Spouse and Descendants), Remainder (or Entire Estate if Spouse Does Not Survive) to Living Descendants, per stirpes	11-4
		Form DW-3W:	Companion Will to DW-3H	11-4
		*Form DW-1–3:	Testator with Adult Children: Outright Gift of Residuary Estate to Spouse with Option to Spouse to Disclaim with Bequest Passing to "Disclaimer Trust" (with Alternate Distribution Methods), Remainder to Living Descendants,	

			per stirpes: if Spouse Does	
			Not Survive, to Living Descendants, per stirpes	11-4
	11.1.6	Vay Action Subject	ts for Strategic Planning	11-15
112		-		
11.2			d Couples with Minor Children	11-15
	11.2.1	=	ions of Wills in Category	11-16
	11.2.2		ositive Provisions and Tax Effects	11 16
	11.00		t	11-16
	11.2.3		e Wills	11-21
	11.2.4	•	uences	11-21
	11.2.5		isclaimer Trusts for	
		•	ith Minor Children	11-22
		Form DW-4H:	Gift of Residuary Estate Outright	
			to Spouse with Disclaimer Option	
			to "Disclaimer Trust" for Benefit	
			of Spouse, Remainder (or Entire Estate if Spouse Does Not Survive)	
			to Living Descendants, per stirpes	
			(Separate Trusts for Descendants	
			under 30)	11-22
		Form DW-4W:	Companion Will to DW-4H	11-22
		Form DW-5H:	Gift of Residuary Estate Outright	
			to Spouse with Disclaimer Option	
			to "Disclaimer Trust"—Spray of	
			Income and Principal to Spouse and	
			Descendants; Remainder (or Entire	
			Estate if Spouse Does Not Survive)	
			to Living Descendants, per stirpes	
			(Separate Trusts for Descendants under 30)	11-22
		Form DW-5W:	Companion Will to DW-5H	11-22
		Form DW-6H:	=	11-22
		ronn Dw-on:	Gift of Residuary Estate Outright to Spouse with Disclaimer Option	
			to "Disclaimer Trust"—Income	
			to Spouse, Spray of Principal to	
			Spouse and Children, Remainder	
			(or Entire Estate if Spouse Does	
			Not Survive) to Living	
			Descendants, per stirpes	
			(Separate Trusts for Descendants	
			under 30)	11-22
		Form DW-6W:	Companion Will to DW-6H	11-22

	Form DW-7H:	Gift of Residuary Estate Outright to Spouse with Disclaimer Option	
		to "Disclaimer Trust" for Benefit	
		of Spouse, Remainder (or Entire	
		Estate if Spouse Does Not Survive)	
		to Pot Trust until Youngest Child	
		Attains 25	11-22
	Form DW-7W:	Companion Will to DW-7H	11-22
	Form DW-8H:	Gift of Residuary Estate Outright	
		to Spouse with Disclaimer Option	
		to "Disclaimer Trust"—Spray of	
		Income and Principal to Spouse	
		and Descendants; Remainder	
		(or Entire Estate if Spouse Does	
		Not Survive) to Pot Trust until	
		Youngest Child Attains 25	11-22
	Form DW-8W:	Companion Will to DW-8H	11-22
	Form DW-9H:	Gift of Residuary Estate Outright	
		to Spouse with Disclaimer Option	
		to "Disclaimer Trust"—Income	
		to Spouse, Spray of Principal to	
		Spouse and Descendants; Remainder	
		(or Entire Estate if Spouse Does	
		Not Survive) to Pot Trust until	
		Youngest Child Attains 25	11-23
	Form DW-9W:	Companion Will to DW-9H	11-23
	*Form DW-4–9:	Testator with Minor Children:	
		Outright Gift of Residuary Estate	
		to Spouse with Option to Spouse	
		to Disclaim with Bequest Passing	
		to "Disclaimer Trust" (with	
		Alternative Distribution Methods),	
		Remainder to Living Descendants,	
		per stirpes (with Alternative	
		Provisions for Trusts for	
		Children); if Spouse Does Not	
		Survive, to Living Descendants,	
		per stirpes (with Alternative	
		Provisions for Trusts for	
		Children)	11-23
11.2.6	Key Action Subject	ets for Strategic Planning	11-38

PART V G TRANSFER ("GST") TAX PI

GENERATION-SKIPPING TRANSFER ("GST") TAX PLANNING
WITH GENERATION-SKIPPING TRUSTS—FOR LARGE
ESTATES

CHA	PTER 12		PLANNING WITH	
			N-SKIPPING TRUSTS	12-1
12.1	Overview	w of Generation-Sk	cipping Transfer Tax (GST)	12-1
12.2	Shelterin	ng the Tax through	the GST Exemption	12-2
12.3	Effective	e Use of the GST E	xemption—Benefits to Children	
	and Tax	Savings		12-2
12.4	Allocation	on of GST Exempti	on to Assets with Greatest	
	Apprecia	ation Potential		12-3
12.5	Structure	e of Wills with Gen	eration-Skipping Trusts	12-4
12.6	Use of th	ne First Spouse's N	onexempt Marital Trust to	
	Allocate	GST Exemption o	f Surviving Spouse	12-6
12.7	Ramifica	ations and Drafting	Considerations in Light	
	of EGTF	RRA		12-7
OTT 1	DEED 44	T1 77 D7 1 2 D7	N. C	
СНА	PTER 13		NG WILLS WITH	12.1
13.1	W/:11a:		N-SKIPPING TRUSTS	13-1
13.1			ping Trusts for Married	13-1
	13.1.1		on of Wills	13-1
		-		
	13.1.2	• •	ositive Provisions	13-1
	13.1.3		Generation-Skipping Trust	13-4
		*Form GST-1H:	Husband with Adult Children:	
			Marital Deduction Bequest	
			to Marital (QTIP) Trust of Amount in Excess of Unified	
			Credit Equivalent; Marital	
			Bequest to Be Divided into	
			Exempt Marital (Reverse	
			QTIP/Generation-Skipping) Trust	
			and Nonexempt Marital Trusts;	
			Residuary Estate to Credit Shelter	
			(Bypass/Generation-Skipping)	
			Trust for Benefit of Wife,	
			Children, and Descendants	
			of Deceased Child During	
			Lifetime of Wife; upon	
			Death of Wife, Remainder of	
			Exempt Marital Trust and	

	Residuary Trust to Children in Separate Trusts for Life,	
	Remainder to Grandchildren	
	with Limited Power of Appointment	
	to Children; upon Death of Wife,	
	Remainder of Nonexempt Marital	
	Trust Outright to Living	
	Descendants, per stirpes	13-4
Form GST-1W:	Companion Will to GST-1H	13-4
*Form GST-2H:	Husband with Adult Children:	
	Marital Deduction Bequest	
	to Marital (QTIP) Trust of	
	Amount in Excess of Unified	
	Credit Equivalent; Marital	
	Bequest to Be Divided into	
	Exempt Marital (Reverse	
	QTIP/Generation-Skipping) Trust	
	and Nonexempt Marital	
	Trusts; Residuary Estate to	
	Credit Shelter (Bypass/	
	Generation-Skipping) Trust for	
	Benefit of Wife, Children, and	
	Descendants of Deceased Child	
	During Lifetime of Wife;	
	upon Death of Wife, Remainder	
	of Exempt Marital Trust	
	and Residuary Trust to Children	
	in Separate Trusts for Life,	
	Remainder to Grandchildren	
	with Limited Power of Appointment	
	to Children; upon Death of Wife,	
	Remainder of Nonexempt	
	Marital Trust Divided into 2	
	Parts—Wife's GST Exemption	
	Amount Passes to Exempt	
	Trust for Children, Rest Passes to	
	Outright to Living Descendants,	
	per stirpes	13-4
Form GST-2W:	Companion Will to GST-2H	13-4
Form GST-3H:	Marital Bequest Divided into	
	Exempt GST and Nonexempt	
	Trusts; Credit Shelter Bequest	
	to Separate Exempt GST Trusts	
	for Children; Remainder—Exempt	
	1	

	Marital to Exempt Children's	
	Trusts, Nonexempt Trust to	
	Living Descendants, per stirpes	13-4
Form GST-3W:	Companion Will to GST-3H	13-4
Form GST-4H:	Marital Bequest Divided into	
	Exempt GST and Nonexempt	
	Trusts; Credit Shelter Bequest	
	to Separate Exempt GST	
	Trusts for Children; Remainder	
	of Exempt Trusts to Exempt	
	Children's Trusts, Nonexempt	
	to Living Descendants, per stirpes	
	(with Flexibility for Distribution of	
	Remainder of Nonexempt Trust to Children's GST Trusts)	13-4
Earne CCT AW.		
Form GST-4W:	Companion Will to GST-4H	13-4
Form GST-5H:	Marital Bequest Divided into	
	Exempt GST and Nonexempt	
	Trusts; Credit Shelter Bequest to Exempt GST Bypass Trust for	
	Benefit of Spouse; Remainder—	
	Exempt Trusts to GST Spray Trust	
	for Children and Descendants,	
	Nonexempt to Living Descendants,	
	per stirpes	13-4
Form GST-5W:	Companion Will to GST-5H	13-4
Form GST-6H:	Marital Bequest Divided into	
	Exempt GST and Nonexempt	
	Trusts; Credit Shelter Bequest to	
	Exempt GST Bypass Trust	
	for Benefit of Spouse;	
	Remainder—Exempt Trusts to	
	GST Spray Trust for Children	
	and Descendants, Nonexempt	
	to Living Descendants, per stirpes	
	(with Flexibility for Distribution	
	of Remainder of Nonexempt Trust to Children's GST Trusts)	13-4
Form GST-6W:	Companion Will to GST-6H	13-5
Form GST-7H:	Marital Bequest Divided into	10 0
1 omi 001-/11.	Exempt and Nonexempt Trusts;	
	Credit Shelter Bequest to Spray	
	GST Trust for Descendants:	

			Remainder—Exempt Marital to Descendant's Trust; Remainder of Nonexempt Trust to Living Descendants, per stirpes	13-5
		Form GST-7W:	Companion Will to GST-7H	13-5
		Form GST-8H:	Marital Bequest Divided into Exempt and Nonexempt Trusts; Credit Shelter Bequest to Spray GST Trust for Descendants; Remainder—Exempt Marital to Descendant's Trust; Remainder of Nonexempt Trust to Living Descendants, per stirpes (with Flexibility for Distribution of Remainder of Nonexempt	
			Trust to Children's GST Trusts)	13-5
		Form GST-8W:	Companion Will to GST-8H	13-5
	13.1.4		n Charts for All GST Wills	13-38
	13.1.5	Key Action Subjection	cts for Strategic Planning	13-65
СНА	V PTER 14	(SINGLE, WI	MARRIED INDIVIDUALS DOWED, DIVORCED) UNMARRIED INDIVIDUALS	
			DOWED, DIVORCED)	14-1
14.1	Overvie	w and Overall Disp	ositive Summary of Wills Selected	14-1
14.2	Simple V	Wills for Unmarried	l Person with Adult Children	14-2
	14.2.1		ositive Provisions	14-2
	14.2.2		se Wills	14-3
	14.2.3		quences	14-3
	14.2.4		s for Unmarried Persons with	14-3
		*Form UM-1M:	Unmarried Male Testator with Adult Children: Outright Gift of Residuary Estate to Adult Children	14-3
		Form UM-1F:	Corresponding Will to UM-1M	14.2
14.3	Willa fa	n Hamoniad Dans	for testatrix	14-3 14-8
14.3	Wills 10:		ositive Provisions	14-8
	14.3.1	• •	parate Trusts for Children	14-8

	14.3.3	Distribution of Pot Trusts for Children		14-9
	14.3.4	When to Use The	se Wills	14-10
	14.3.5	Estate Tax Consec	quences	14-10
	14.3.6		s for Unmarried Persons with	14-10
		Form UM-2M:	Unmarried Male Testator with Minor Children: Gift of Residuary Estate to Separate Trusts for Children—Complete Distribution at Age 30	
		Form UM-2F:	Corresponding Will to UM-2M for Testatrix	
		Form UM-3M:	Unmarried Male Testator with Minor Children: Gift of Residuary Estate to Pot Trust until	
		Form UM-3F:	Youngest Child Reaches 25 Corresponding Will to UM-3M for Testatrix	14-10 14-10
		*Form UM-2/3:	Unmarried Testator with Minor Children: Gift of Residuary Estate to Trust for Children—Alternative Dispositive Provisions for Separate	
	******		Trusts and Pot Trust	14-11
14.4			uals without Children	14-22
	14.4.1	Overview		14-22
	14.4.2	Summary of Dispositive Provisions		14-22
	14.4.3	When to Use These Wills		14-23
	14.4.4	Estate Tax Consequences		14-23
	14.4.5	14.4.5 Form Wills for Unmarried Individuals without Children		14 23
		*Form UM-4M:	Unmarried Testator Who Desires to Benefit Friend/Companion: Gift of Residuary Estate to Trust for Friend/Companion for Life, Remainder to Nieces and Nephews (Separate Trusts if	
		Form UM-4F:	under 30) Corresponding Will to UM-4M	14-23
			for Testatrix	14-23
14.5	Pour-O	ver Will to Revocab	le Trust	14-34
	14.5.1	Summary of Disp	ositive Provisions	14-34
	14.5.2	When to Use The	se Wills	14-34

	14.5.3	Estate Tax Conseq	uences	14-34
	14.5.4	Form Pour-Over W	Vill	14-34
		*Form UM-5M:	Will for Unmarried Male Testator Pour-Over Will—to Revocable Trust Created During Lifetime	14 35
		Form UM-5F:	Corresponding Will to UM-5F for Unmarried Testatrix	
14.6	W:11 - C	. C:1 - T dii d1 -		14-35 14-40
14.0	14.6.1	=	with Generation-Skipping Trusts	14-40
	14.6.2			14-40
	14.6.3	•	1	14-41
	14.6.4	=	of Dispositive Provisions of	14-41
	14.0.4	•		14-41
	14.6.5		e Wills	
	14.6.6		married Individuals with	1
	1 1.0.0			14-44
		Form UM-6F:	Unmarried Testator with Adult Children: Residuary Bequest to Be Divided into: (1) Exempt Portion—Separate Generation-Skipping Trusts for Children, Remainder to Grandchildren with Limited Power of Appointment to Children; and (2) Nonexempt Portion— Outright to Living Descendants, per stirpes	14-44
		Form UM-7M:	for Testatrix	14-44

xxxix

		Form UM-7F	1 &	
			for Unmarried Testatrix	14-44
		Form UM-8N		
			Children: Residuary Bequest to	
			Be Divided into: (1) Exempt	
			Portion—Dynasty Generation-Skipping Trust for	
			Benefit of Descendants for	
			Maximum Period Allowed by	
			Rule Against Perpetuities; and	
			(2) Nonexempt Portion—Outright	
			to Living Descendants,	
			per stirpes	14-44
		Form UM-8F	1 &	
			for Unmarried Testatrix	14-44
		*Form UM-6		
			Children: Residuary Bequest to	
			Be Divided into: (1) Exempt	
			Portion—Generation-Skipping	
			Trusts for Descendants with	
			Alternative Dispositive Structures Including Dynasty Trust; and	
			(2) Nonexempt Portion—Outright	
			to Living Descendants,	
			per stirpes	14-45
	14.6.7	Kev Action S	ubjects for Strategic Planning	
		,		
			PART VII	
RI	EVOCAE	BLE (LIVIN	G) TRUSTS AND POUR-OVER WIL	LS
СПУ	PTER 15	CTD ATE	GIC PLANNING WITH	
СПА	FIEK 13		BLE TRUSTS AS PRIMARY	
			ENTARY INSTRUMENT	15-1
15.1	Revocab		ill Substitutes: Advantages,	
	Disadvar	ntages, and Pra	actical Considerations	15-1
	15.1.1	Overview		15-1
	15.1.2	Practical Use	s, Advantages, and Disadvantages	15-1
		15.1.2.1 F	Probate Avoidance	15-1
		15.1.2.2 H	Estate and Income Taxes	15-2
		15.1.2.3 H	Planning for Incapacity	15-3
			Ancillary Administration: Real Estate in	
			More than One State	15-3
	15.1.3	Summary		15-3

15.2	Mechanics and Operation of Funded Revocable Trust/Pour-Over Will Structure			
	15.2.1		ets to Trust	15-4 15-4
	15.2.2			15-4
	15.2.3		visions during Life of Settlor	10 1
	10.2.0	_		15-4
	15.2.4	Right to Amend	or Revoke	15-5
	15.2.5	Tax Identification	on Number	15-5
	15.2.6	Tax Consequence	ces of a Revocable Trust	15-5
		15.2.6.1 Gif	t Taxes	15-5
		15.2.6.2 Inco	ome Tax	15-5
		15.2.6.3 Esta	ate Tax	15-5
	15.2.7	Pour-Over Will		15-5
15.3	Overall S	Summary of Forn	ns	15-6
СНА	PTER 16		LE TRUSTS AND POUR-	
			LS FOR UNMARRIED	17.1
16.1	Overell		LS	16-1 16-1
16.1		Overall Summary of Forms and Dispositive Summary Simple Revocable Trust and Pour-Over Will for		
10.2	Unmarried Individual with Adult Children (RT-1 and PO-1)			16-2
	16.2.1		spositive Provisions of RT-1	16-2
	16.2.2	* *		
	16.2.3		nd Estate Tax Consequences	16-2 16-3
	16.2.4			16-3
		*Form RT-1:	Revocable Trust Agreement for	
			Unmarried Settlor—Outright	
			Disposition to Adult Children	
			at Death of Settlor	16-4
		*Form PO-1:	For Unmarried Testator/Testator:	
			Pour-Over Will—to Accompany RT-1	16-11
16.3	Revocab	le Trust and Pour	Over Will for Unmarried	10-11
10.5			ren (RT-2 AND PO-2)	16-18
	16.3.1	Summary of Dispositive Provisions of RT-2		16-18
	16.3.2			16-18
	16.3.3		nd Estate Tax Consequences	16-19
	16.3.4	Forms	•	16-20
		*Form RT-2:	Revocable Trust Agreement for	
			Unmarried Settlor Who Wishes	
			to Benefit Friend/Companion: Gift	

			of Residuary Estate to Trust for Friend/Companion for Life, Remainder to Nieces and Nephews	
			(Separate Trusts if under 30)	16-20
		*Form PO-2:	For Unmarried Testator/Testator: Pour-Over Will—to Accompany RT-2	
16.4	Individua	als with Children—	Over Wills for Unmarried -with Generation-Skipping Trusts	
	16.4.1	Summary of Disp	ositive Provisions of RT-3 and	
	16.4.2	•	Provisions for Unmarrieds	16-37
	16.4.3	Dispositive Provis	y and Estate Tax Effects of sions of GST-Exempt Trusts	
	16.1.1	`	eath) under RT-3 and RT-4	16-38
	16.4.4		se Revocable Trusts	16 30
	16.4.5			
	10.4.5	*Form RT-3:		10-39
		Torm KI-3.	Unmarried Individual with Adult Children—with GST Trusts for Children upon Death of Settlor	16-39
		*Form RT-4:	Revocable Trust Agreement for Unmarried Individual with Adult Children—with Dynasty Trust for Descendants for Maximum	
			Perpetuities Period	16-50
		*Form PO-3/4:	For Unmarried Testator/Testator: Pour-Over Will—to Accompany	
			RT-3 and RT-4	16-61
CHA	PTER 17	WILLS FOR I	E TRUSTS AND POUR-OVER MARRIED COUPLES AX PLANNING (COMBINED OF EXCEEDING LIFETIME	
		ES INITES IN	D	17-1
17.1	Overview		nsiderations	17-1
17.2	Summar	y of Dispositive Pr	ovisions of RT-5	17-1
17.3	When to	Use this Revocable	e Trust (RT-5)	17-2
17.4	Income,	Gift, and Estate Ta	x Consequences	17-3
17.	E			17.0

	*Form RT-5:	Simple Revocable Trust Agreement for Married Settlor—Outright Disposition to Spouse upon Death of Settlor (to Children if Spouse Does Not Survive)	17-3
	*Form PO-5–9:	For Married Testator/Testator: Pour-Over Will—to Accompany RT-5, 6, 7, 8, and 9	7-12.1
CHA		OCABLE TRUSTS AND POUR-OVER	
		LLS WITH CREDIT SHELTER/BYPASS JSTS—FOR MARRIED COUPLES WITH	
		MBINED ESTATES EXCEEDING	
		ETIME EXEMPTION	18-1
18.1	Strategic Plannin	g with Credit Shelter/Bypass Trusts	18-1
18.2	•	positive Provisions of RT-6	18-2
18.3		ry of Dispositive Provisions of Credit	
		rust under RT-6 and Estate Tax Effects	18-2
18.4		Structuring Bypass Trust	18-3
18.5	When to Use Re	vocable Trust RT-6	18-4
18.6	Income, Gift, and	d Estate Tax Consequences	18-4
18.7	Forms		18-5
	*Form RT-6:	Revocable Trust Agreement for Married	
		Settlor—with Credit Shelter/Bypass Trust	18-6
	*Form PO-5–9:	For Married Testator/Testator: Pour-Over	
		Will—to Accompany RT-5, 6, 7, 8, and 9 (for Form PO-5–9, see Section 17.5)	18-6
		(101 FORM F O-3-9, See Section 17.5)	10-0
CHA	PTER 19 REV	VOCABLE TRUSTS AND POUR-OVER	
		LLS WITH MARITAL/QTIP TRUST IN	
		MBINATION WITH CREDIT SHELTER/	
		PASS TRUST: THE "A-B" TRUST	
		RUCTURE (COMBINED ESTATES CEED LIFETIME EXEMPTION)	19-1
19.1		g with "A-B" Trust Structure	19-1
19.2	=	uirements of QTIP Trust	19-2
19.3	_	positive Provisions of RT-7	
19.4	•	ry of Dispositive Provisions of Credit	1, 2.1
17		rust under RT-7 and Estate Tax Effects	19-3
19.5	When to Use Re	vocable Trust RT-7	19-4
19.6		d Estate Tax Consequences	19-5
19.7	_	·····	19-6
	*Form RT-7:	Revocable Trust Agreement for Married	
		Settlor—with Marital and Bypass Trusts	19-6

	*Form PO-5–9:	For Married Testator/Testator: Pour-Over Will—to Accompany RT-5, 6, 7, 8, and 9 (for Form PO-5–9, see Section 17.5)	19-6	
СНА	WI DIS	VOCABLE TRUST AND POUR-OVER LLS FOR MARRIED COUPLES WITH SCLAIMER TRUST OPTION UPON		
20.1		ATH OF SETTLOR	20-1	
20.1	-	ng with Disclaimer Trusts	20-1	
20.2	· · · · · · · · · · · · · · · · · · ·			
20.3		ary of Dispositive Provisions of Disclaimer 8 and Estate Tax Effects	20-2	
20.4	When to Use Revocable Trust RT-8			
20.5	Income, Gift, and Estate Tax Consequences			
20.6	Forms		20-4	
	*Form RT-8:	Revocable Trust Agreement for Married Settlor—Outright to Spouse with Option for Disclaimer Trust of Settlor	20-4	
	Form PO-5–9:	For Married Testator/Testator: Pour-Over Will—to Accompany RT-5, 6, 7, 8, and 9 (for Form PO-5–9, see Section 17.5)	20-4	
S	TRATEGIC E	PART VIII STATE PLANNING WITH IRREVOCABL TRUSTS	Æ	
СНА	SE	VOCABLE TRUST FOR MARRIED TTLORS WITH GENERATION- IPPING TRUSTS	21-1	
21.1	Strategic Planni	ng with Generation-Skipping Trusts: e of GST Exemption	21-1	
21.2		ucture of Revocable Trust Agreement	21-1	
21.2		a-Skipping Trust (RT-9)	21-2	
		gic Objectives under RT-9	21-2	
		hree Trusts		
		.1 Residuary (Credit Shelter) Trust		
	21.2.2		21-3	
21.3		TIP" Election	21-4	
21.4		spositive Provisions of RT-9	21-6	
21.5	Graphic Summa Exempt and No	ary of Dispositive Provisions of nexempt Generation-Skipping Trusts Estate Tax Effects	21-6	
	under itt / and	Library 14th Lilevin	210	

21.6	When to	n to Use Revocable Trust RT-9				
21.7	Forms					
	*RT-9:		e Trust Agreement for Married with Generation-Skipping Trusts	21-11		
	*PO-5-9		er Will—to Accompany RT-9			
СНА	PTER 22		LE LIFE INSURANCE	22-1		
22.1	The Life			22-1		
22.2	Tax Stra	tegies to Make Effe	ective Uses of ILITS:			
			nd Avoiding the 3-Year Rule	22-3		
	22.2.1	The "Crummey" I	Notice and the Annual			
		Gift Exclusion				
	22.2.2	The 3-Year Rule a	and Strategies for Avoidance	22-4		
22.3			stablishing and Maintaining			
	a Life Insurance Trust					
	*Form 2		for Establishing and Maintaining			
				22-5		
22.4			e Life—for Married Settlor	22-6		
	22.4.1		s of ILIT-1 (Standard ILIT) and			
			Generation-Skipping Trusts)	22-6		
	22.4.2	Graphic Summary of Dispositive Provisions of ILIT-1 and ILIT-2 with Estate Tax Effects				
	22.4.3	Forms		22-8		
		*Form ILIT-1:	Life Insurance Trust to Hold Policy on Life of Married			
			Settlor	22-9		
		*Form ILIT-2:	Life Insurance Trust to Hold Policy on Life of Married Settlor, with			
			Generation-Skipping Trusts	22-24		
		*Form 22-2:	Crummey Notice—to Accompany Single Life ILITs			
22.5	Life Insurance Trust on One Life—for Unmarried Settlor					
		Children (e.g., Widowed, Divorced)				
	22.3.1	Purposes and Uses of ILIT-3 (Standard ILIT) and ILIT-4 (ILIT with Generation-Skipping Trusts) 22-				
	22.5.2	•	y of Dispositive Provisions of ILIT-3 State Tax Effects	22-41		
	22.5.3	Forms		22-43		
		*Form ILIT-3:	Life Insurance Trust to Hold Policy on Life of Unmarried Settlor.	22-43		

		*Form ILIT-4:	Life Insurance Trust to Hold Policy on Life of Unmarried Settlor—with Generation- Skipping Trusts	22-57
		*Form 22-2:	Crummey Notice—to Accompany Single Life ILITs (for Form 22-2, see Section 22.4.3)	22-40
22.6			wo Lives (for Second-to-Die	
	Policies	•	IT-6	22-72
	22.6.1	-	ctical Uses of Second-to-Die cial Requirements	22-72
	22.6.2	ILIT-5 (Standard and ILIT-6 (ILIT	y of Dispositive Provisions of ILIT for Second-to-Die Policy) for Second-to-Die Policy Skipping Trusts)	22-73
	22.6.3			
		*Form ILIT-5:	Survivorship Life Insurance Trust to Hold Survivorship Policy	
		*Form ILIT-6:	Survivorship Life Insurance Trust to Hold Survivorship Policy with Generation-Skipping Trusts	22-89
		*Form 22-3:	Crummey Notice— to Accompany Second-to- Die ILITs	22-106
СНА	PTER 23	TRUSTS FOR	R MINORS	23-1
23.1	Practica		Comparisons of Trusts with	
	Custodia	al Transfers and Se	ction 529 Plans	23-1
	23.1.1	Custodial Transfe	ers	23-1
	23.1.2	Section 529 Plans	S	23-2
23.2	Section	2503(c)—Minor's	Trusts	23-3
	23.2.1	Requirements		23-3
	23.2.2	Tax Issues		23-3
	23.2.3	•	erations: Extending the 2503(c)	23-4
	23.2.4	• •	n 2503(c) Minor Trust	23-4
		*Form 23-1:	Section 2503(c) Minor's Trust for One Beneficiary Qualifying for	
			Annual Gift Tax Exclusion	23-5
23.3	Crumme	ey Minor's Trust		23-14
	23 3 1	Requirements and	d Practical Uses	23-14

	23.3.2	Z ,				
	22.2.2	Generation-Skipping Planning				
	23.3.3	Summary of Dispositive Provisions of Forms for Crummey Minor's Trust			22 15	
	22.2.4		•			
23.3.4				ey Minor's Trusts	23-17	
		*Form 2	23-2:	Crummey Minor's Trust for One		
				Child with Withdrawal		
				Power—Distribution of Principal to Child at Ages 25, 30, and 35	22 19	
		Ψ Γ	22.2	_	23-10	
		*Form 2	23-3:	Crummey Minor's "Pot" Trust for Children of Settlor with		
				Hanging Withdrawal Powers—		
				Final Distribution of Principal		
				when Youngest Child Attains		
				Age 25	23-28	
		*Form 2	23-4:	Crummey Minor's Trust for One		
		1 01111 1		Grandchild with Withdrawal		
				Power Qualifying for Annual		
				Exclusion from Gift Tax and		
				GST Tax—Distribution of		
				Principal to Grandchild at Ages		
				25, 30, and 35	23-38	
		*Form 2	23-5:	Crummey "Dynasty" Trust for		
				Descendants of Settlor for		
				Maximum Perpetuities Period	23-48	
		*Form 2	23-6:	Crummey Notice—to Accompany		
				Crummey Trusts	23-58	
СНА	PTER 24	TRI	STS FOR	SUBCHAPTER S STOCK	24-1	
24.1				pter S Trusts	24-1	
24.2			_	et ("QSST"): Requirements		
	_				24-1	
24.3	The Elec	ting Sma	all Busines	s Trust ("ESBT"): Requirements		
					24-2	
24.4				ned Annuity Trust ("GRAT") to		
					24-3	
24.5					24-3	
	*Form 24			Subchapter S Trust—with		
	T OTHI 2			n-Skipping Provisions	24-4	
	*Form 24	4-2·		SST Election		
	*Form 2		_	mall Business Trust	∠ . 1⊤	
	romi 2	т-Э.	_	for Descendants of Settlor for		
				Perpetuities Period	24-15	
				r 		

CHA	PTER 25		INTEREST TRUSTS:	
25.1	0 116	-	D GRATS	25-1
25.1	Qualified Personal Residence Trusts			25-1
	25.1.1	1		25-1
	25.1.2	Illustrations and Computer Projections/		
			arts	25-2
	25.1.3			25-3
		*Form 25-1:	Qualified Personal Residence	
			Trust—to Hold Residence of Grantor for 10 Years—Remainder	
			to Child	25-4
		*Form 25-2:	QPRT Calculations and Graphic	23-7
		101111 23-2.	Illustration from Brentmark	
			Software	25-16
25.2	Grantor Retained Annuity Trusts (GRATS)			25-17
	25.2.1		nd Practical Uses	
	25.2.2	Illustrations and Computer Projections/		
			arts	25-18
	25.2.3	Forms		25-18
		*Form 25-3:	Grantor Retained Annuity Trust—	
			9% Annuity to Grantor for	
			5 Years—Terminating	
			Distribution to Grantor's Child	25-19
		*Form 25-4:	GRAT Calculations and Graphic	
			Illustration from Brentmark	25.26
			Software	25-26
СНА	PTER 26	TRUSTS FO	OR INDIVIDUALS WITH	
			EEDS	26-1
26.1	Overview: Planning Strategies for Families of			
	Children with Special Needs			26-1
26.2	The Discretionary Special Needs Trust			26-1
26.3	Forms			26-2
	*Form 26-1: Special Needs Trust for Disabled Child			26-2
			PART IX	
		ALTERNAT	IVE DRAFTING FORMS	
СНА	PTER 27	ALTERNAT	TIVE DRAFTING FORMS	27-1
27.1	Special Testamentary Trusts			27-1
	27.1.1		Residence (for Benefit of Surviving	
		Spouse for Life	, Remainder to Children)	27-1

	*Form 27-1:	Trust of Family Residence (for Benefit of Surviving Spouse for Life, Remainder to Children)	27-1
27.1.2	Trust for Vacation	Home (for Benefit of Children)	27-2
	*Form 27-2:	Trust for Vacation Home (for Benefit of Children)	27-2
27.1.3	Trusts Primarily fo	or Education of Descendants	27-3
	*Form 27-3:	Grandchildren's Educational Trust; General Standards with Preference for Education	27-3
	*Form 27-4:	Incentive and Distribution Provisions for Children to Attend College	27-3
	*Form 27-5:	Flexible Guidelines for Trustee for Educational Costs	27-4
27.1.4	Credit Shelter/By	pass Trust Giving Surviving	
		ower of Appointment of	
	Trust Remainder.		27-4
	*Form 27-6:	Credit Shelter/Bypass Trust Giving Surviving Spouse Limited Power of Appointment of Trust	
		Remainder	27-4
27.1.5	Qualified Domest	ic Trust (QDOT)	27-5
	*Form 27-7:	Qualified Domestic Trust (QDOT)	27-5
27.1.6	OTIP Trust Provis	sions for Spouse in Nursing Home	27-7
	*Form 27-8:	QTIP Trust Provisions for Spouse in a Nursing Home	27-8
27.1.7	* *	ing Trust—General Power of 1 Child's Death to Prevent	
		Г Тах	27-9
	*Form 27-9:	Generation-Skipping Trust— Providing for General Power of Appointment upon Child's Death to Prevent Imposition of	
		GST Tax	27-10
27.1.8	Trust for Client's	Parents after Client's Death	27-10
	*Form 27-10:	Trust for Client's Parents	27.11
	*Form 27-11:	after Client's Death (Broad)	27-11
		Provision for Spouse and Children)	27-11

27.2	Special	Provisions for Clos	sely Held Business Interest	27-12		
	27.2.1	Closely Held Bus	siness Power for Fiduciaries	27-12		
		*Form 27-12:	Broad Closely Held Business			
			Power for Fiduciaries	27-12		
	27.2.2	Right of First Re	fusal	27-12		
		*Form 27-13:	Right of First Refusal for			
			Disposition of Corporate Stock	27-13		
		*Form 27-14:	Right of First Refusal for			
			Disposition of Interest in			
			Limited Liability Company			
	27.2.3	Compliance with	"Buy-Sell"	27-14		
		*Form 27-15:	Compliance with "Buy-Sell"	27-14		
27.3	Specific	•		27-15		
	27.3.1		of Tangible Personal Property of			
		Life Estate to Spo	ouse	27-15		
		*Form 27-16:	1 1			
			Personal Property of Life Estate			
			to Spouse	27-15		
	27.3.2	Specific Bequests to Grandchild under Kentucky				
			rs to Minors Act	27-15		
		*Form 27-17:	Specific Bequests to Grandchild			
			under Kentucky Uniform Transfers to Minors Act	27 15		
	27.2.2	A 14		27-13		
	27.3.3	Alternative Tax Clause—Apportionment for Nonprobate Property				
		*Form 27-18:	Alternative Tax Clause—	27-10		
		· FOIIII 27-16.	Apportionment for Nonprobate			
			Property	27-16		
	27.3.4	Alternative Tax C	Clause—Exclusion of Certain	_, _,		
		Taxes				
		*Form 27-19:	Alternative Tax Clause—			
			Exclusion of Certain Taxes	27-17		
	27.3.5	Alternative Tax C	Clause—Full Apportionment			
			and "Split" Apportionment			
		*Form 27-19A:	Alternative Tax Clause—			
			Apportionment for All Property			
			(Unmarried Testator)	27-17		
		*Form 27-19B:	Alternative Tax Clause—for			
			Probate Property, Property			
			under Revocable Trust, and			
			Other Property (Unmarried	07.10		
			Testator)	27-18		

1

27.4	Provisions Dealing with Trustees				
	27.4.1	Compe	nsation of T	rustee	27-18
		*Form	27-20:	Trustees to Serve Without Compensation	27-19
		*Form	27-21:	Trustees to Receive Reasonable Compensation; Published Fee Schedule for Corporate Trustee	27-19
		*Form	27-22:	Fee Schedule for Corporate Trustee; Aggregation of Trusts to Determine Fee	
	27.4.2	Final Si	uccession o	f Trustees	
	,,,,	*Form		Corporate Trustee as Final Successor.	
		*Form	27-24:	Named Trustees Designate	
		*Form	27-25:	Successor Provision for Successive Trustees/Remaining Trustee to Designate Successor/Corporate Trustee as Ultimate (Comprehensive Clause)	
	27.4.3	Resigna	ation and A	ppointment of Trustees	
		*Form	-	Resignation of Trustee	
		*Form		Designation of Co-Trustee by Settlor under Revocable Trust Agreement	
		*Form 2	27-28:	Designation of Co-Trustee by Remaining Trustee under Irrevocable Trust Agreement Following Resignation of	27-21
		*Form	27-29:	Trustee	27-22
		* F	27. 20.	Agreement	27-23
		*Form 2	27-30:	Acceptance by Newly Appointed Trustee under Irrevocable Trust Agreement	27-24
27.5	Amendments and Restatements to Revocable Trust Agreements				
	Form 27-			nt to Revocable Trust	∠1-∠ 4
	1 01111 27	-J1.	Agreemen	t	27-25
	Form 27-	-32:		nt and Restatement of Revocable ement	27-26

PART X SUMMARIES OF SELECT ESTATE PLANNING PRACTICE AREAS AND STRATEGIES

PTER 28			
m,		28-1	
	•	28-1	
		28-1	
28.1.2	•	20.1	
	1	28-1	
		28-2	
28.1.4	•	20.4	
		28-4	
_		28-5	
_		26-3	
28.2.1	, ·	28-5	
28 2 2		28-6	
	**	28-7	
	, ,	28-7	
		20-7	
26.2.3			
		28-8	
28.2.6		28-9	
28.2.7	•	28-10	
28.2.8			
		28-10	
28.2.9	The "Catastrophic"/"Catch-all" Provision		
	(Section 10)	28-10	
28.2.10	Fiduciary Powers/Administrative Provisions Re:		
		20.10	
20.2.11			
		28-11	
28.2.12	• •	20 12	
28 2 13			
	•		
	· · · · · · · · · · · · · · · · · · ·		
	Signature and Attestation Clauses (Final Paragraphs)	28 13	
	The Ken 28.1.1 28.1.2 28.1.3 28.1.4 Organiza Strategio 28.2.1 28.2.2 28.2.3 28.2.4 28.2.5 28.2.6 28.2.7 28.2.8 28.2.9	28.1.2 Operation of Intestacy Law—Share of Surviving Spouse and Others 28.1.3 Necessity of Will and Dangers of Dying Intestate 28.1.4 Necessity of Will Even with Other Forms of Testamentary Disposition Organizational Checklist of Will: Comments and Strategic Pointers 28.2.1 Preamble/Exordium Clause (Introductory Paragraph) 28.2.2 Definitions and Appointment of Fiduciary (Section 1) 28.2.3 Funeral Arrangements (Section 2) 28.2.4 Debts (Section 3) 28.2.5 Specific Bequests; Disposition of Tangible Personal Property (Section 4); Principal Residence (Section 5) 28.2.6 Payment of Taxes (Section 6) 28.2.7 Residuary Estate (Section 8) 28.2.8 Dispositive Provisions (Other than Specific Bequests) (Sections 7 and 9) 28.2.9 The "Catastrophic"/"Catch-all" Provision (Section 10) 28.2.10 Fiduciary Powers/Administrative Provisions Re: Trustees and Personal Representatives (Section 11 for Trustees and Section 13 for Personal Representatives) 28.2.11 Insurance or Pension Plan (Section 12) 28.2.12 Spendthrift and Facility of Payment Provisions (Section 14) 28.2.13 Survivorship/Simultaneous Death (Section 15) 28.2.14 Rule against Perpetuities (Section 16) 28.2.15 Gender (Section 17) 28.2.16 Headings (Section 18)	

28.3			-	EGTRRA, TRA 2010 and	28-13
	28.3.1				28-13
	28.3.2			Summary	
	28.3.3			f the TRA 2010	
	28.3.4		=	d Summary	
	20.3.4	28.3.4.1		Day 2013 Surprise	
		28.3.4.2	Permanent Est	•	20-23
		20.3.4.2		ipping Tax (GST)	
			Exemptions of		
			-		28-23
			28.3.4.1.1	2012 Exemptions: Unified	
				and Permanent	28-23
			28.3.4.2.2	Comment on Significance	
				and Effects	28-23
			28.3.4.2.2.		
				•	28-23
			28.3.4.2.2.		20.24
		20.2.4.2		"Clawback"	
		28.3.4.3		Rates	
		28.3.4.4	•		28-24
			28.3.4.4.1	Basic Concept Re: Utilizing	
				Spouse's Unused Exemption Amount	28-24
			28.3.4.4.2	Electing Portability	
			28.3.4.4.3	-	28-25 28-26
			28.3.4.4.4		20-20
			20.3.4.4.4	The <u>Last</u> Deceased Spouse Requirement	28-26
		28.3.4.5	Chart Summar	izing Federal Estate, Gift	20 20
		20.5.1.5		ges under ATRA 2012	
				Subsequent Years)	28-27
	28.3.5	Planning fo	r Unified Credit	/Exemption Equivalent	
		Amount—i	n a Nutshell		28-27
	28.3.6	The New E	ra of Estate Plar	nning after ATRA 2012 2	28-28
		28.3.6.1	Impact of ATR	A 2012 on Forms and	
				es Due to Increased	
				leral Estate Tax	•• ••
		20.2.5.2	-		28-29
		28.3.6.2		Bypass/Credit Shelter	
			Planning	ors to Consider in	28-31
					∠()=.) I

		28.3.6.3	Wills and Re Issues with F	Forms and Strategies for vocable Trusts to Integrate formula Clauses and
			28.3.6.3.1	Portability as a Game Changer But Still Need Credit Shelter Trusts 28-32.3
			28.3.6.3.2	Portability in Tandem with Credit Shelter Trusts 28-32.3
			28.3.6.3.3	Drafting Alternatives after ATRA 2012 28-32.3
28.4				-with New TRA
	Modific			
	28.4.1			
	28.4.2	Mechanics	and Application	on
	28.4.3	Transfers S	Subject to GST	Tax
	28.4.4	Transfers I	Exempt from G	ST Tax 28-32.9
	28.4.5	Computing	g GST Tax	
	28.4.6	Administra	ation and Retur	n Requirements 28-33
28.5		*	Per Capita:" Ex	•
	-			28-33
28.6				ypass Trusts—Some
28.7	Spousal			cky 28-37
	28.7.1	•		
	28.7.2	•		o "Probate" Assets:
		_		ntages for Surviving
20.0	ODOE	_		28-37
28.8				
	28.8.1	_		the Marital Deduction 28-37
	28.8.2			
		28.8.2.1		ies
		28.8.2.2		vivor Annuities 28-39
	28.8.3			
	28.8.4			Frust (QDOT) 28-41
		28.8.4.1		
		28.8.4.2	Distinguishir	ng Features of a QDOT 28-42
		28.8.4.3	•	s for QDOTs under the
				gulations
			28.8.4.3.4	Right to Withhold Tax 28-43

		28.8	.4.3.5 Q	ualified Marital Interest	
			R	equirements	28-43
		:	28.8.4.3.5.1	Property Passing to QDOT	28-43
			28.8.4.3.5.2	Property Passing	
				Outright to Spouse	28-43
		28.8	.4.3.6 S	ecurity and Other	
				rrangements for Payment f Tax—QDOTs with	
				ssets over \$2 Million	28-43
			28.8.4.3.6.1	Bank Trustee	
			28.8.4.3.6.2		
			28.8.4.3.6.3	Letter of Credit	
			28.8.4.3.6.4	Additional Governing	20 11
			20.0.4.3.0.4	Instrument Requirements for Bond or Letter	
				of Credit	
				Arrangements	28-45
		28.8		ecurity and Other	
				rrangements	
				or Payment of Tax— DOTs with Assets of	
				2 Million or Less	28-45
		,	28.8.4.3.7.1		
				Look-Through Rules	
			28.8.4.3.7.3	~	
					20-40
			28.8.4.3.7.4	Principal Residence and Related Personal	20.46
	20.0.5	II CA D	TT . C . C	Effects	28-40
	28.8.5	Use of the Bypas			20 47
20.0	A D				20-47
28.9		-	_	robate Assets) by	29 47
	-				
	28.9.1				
				mon	
			-	th Right of Survivorship	
	20.02			ederal Estate Tax	
	28.9.2		•		
	28.9.3		-		
	28.9.4				
	28.9.5	Qualified Retirer	nent Plan As	sets	28-50

28.10	O Proper Will Formalities in Kentucky—Execution, Revocation, and Amendment: Technical Requirements					
	and Practical Considerations					
	28.10.1	*Form 28-	1: Instru Attorr	ecution		
				tion of Will		
	28.10.2			and Codicil		
	28.10.3					
		28.10.3.1		y Standard		
	28.10.4	Proper Wil	l Revocation a	nd Amendment	28-53	
		28.10.4.1		Revocation—Statement of or Obliteration	28-53	
		28.10.4.2		Amendment—The Codicil		
		20.10.4.2	28.10.4.2.1			
			20.10.4.2.1	*Form 28-2: Sample	20-34	
				Codicil	28-54	
	28.10.5	Other Impo	ortant Consider	rations for Wills under	200.	
	20.10.5	-			28-57	
		28.10.5.1		ed by Nonresident of		
					28-57	
		28.10.5.2	Dating and In	nitialing the Will	28-57	
CHAI	PTER 29	SELEC	TED PLANN	ING STRATEGIES		
					29-1	
29.1					29-1	
29.2			ning with Limi			
				• • • • • • • • • • • • • • • • • • • •	29-2	
29.3				Separate Trusts	29-3	
29.4				Spouses and Solution	29-4	
29.5				ves, Trustees, and		
		_		endations	29-5	
	29.5.1		•	• • • • • • • • • • • • • • • • • • • •	29-5	
	29.5.2			• • • • • • • • • • • • • • • • • • • •	29-7	
		29.5.2.1		Removal, and Replacement	20.7	
	20.5.2	G 11		-Tax Aspects	29-7	
20 -	29.5.3				29-8	
29.6			•	neficiary Designations	29-8	
29.7			ce Taxes in Cor Cash Legacies	nnection with	29-9	

	29.7.1	Where Beneficiary Other Than Spouse Is Intended Recipient—Planning for Reduction				
		of Federal Estate Taxes.	29-9			
	29.7.2	Where Charity Is Intended Recipient				
29.8		Marital Bequest vs. Trust for Spouse:				
	Planning Considerations					
29.9	Revised	Planning for Surviving Spouse after				
	Death of	First Spouse	29-11			
	29.9.1	Planning for Remarriage: QTIP Trust/Prenuptial				
		Agreements				
	29.9.2	Use of the Residence	29-12			
	29.9.3	The QTIP Trust—Tax Traps upon the	20.12			
		Surviving Spouse's Death	29-12			
	29.9.4	Credit Shelter/Bypass Trusts: Strategic Use	20.12			
20.10	The Cons	During Lifetime of Surviving Spouse	29-13			
29.10		dit Shelter/Bypass Trust: Rights and Protections				
		e to Surviving Spouse and Asset Protection rations	20_14			
		Rights of Surviving Spouse in Credit Shelter Trust				
	29.10.1		23-14			
	29.10.2	Selecting the Appropriate Allocation of Income and Principal among the Spouse and Beneficiaries	29-15			
	29.10.3	Structuring Credit Shelter/Bypass				
		Trust as Asset-Protection Trust	29-16			
29.11		s for Financing the Payment of Estate Taxes				
		usiness Entity—Statutory Elections by Personal	20.16			
	•	ntatives	29-16			
	29.11.1	Section 2032A Special Use Valuation for Farms	20.17			
	20.11.2		29-17			
	29.11.2	Section 303 Redemption to Pay Estate Taxes and Administration Expenses	20.19			
	29.11.3	Section 6166 Deferral of Estate Taxes for	29-10			
	29.11.3	Closely Held Businesses	20_10			
		Closely field Businesses	27-17			
		PART XI				
		POWERS OF ATTORNEY				
CHAI	PTER 30	DURABLE POWERS OF ATTORNEY				
		FOR FINANCIAL MATTERS	30-1			
30.1		able Power of Attorney—A Critical Document	30-1			
30.2		vs. Limited Power	30-1			
30.3		ental Issues in Preparing a Durable General				
	Power of	Attorney	30-2			

30	.3.1	Effective Time of Power		
30	.3.2	Designation of the Attorney-in-Fact		
30	.3.3	Gift-Giving Powers	s	30-3
		*Form 30-1:	Durable General Power of Attorney—Effective upon Execution	30-4
		*Form 30-2:	Durable General Power of Attorney—Effective upon Disability	30-8
		*Form 30-3:	Limited Power of Attorney (for Handling Real Estate Settlement)	30-12
		*Form 30-4:	Limited Power of Attorney for	30-13
		*Form 30-5:	Grant to Two Attorneys-in-Fact Acting Jointly or Severally	30-15
		*Form 30-6:	Grant to Two Attorneys-in-Fact Acting Jointly (Not Severally)	30-15
		*Form 30-7:	Broad Gift-Giving Power with Power to Disclaim	30-16
		*Form 30-8:	Gifts to Children and Grandchildren Limited Annually to \$10,000 plus Tuition and Medical Costs	30-16
		*Form 30-9:	Gifts to Children and Grandchildren Consistent with Past Gifts	30-16
		*Form 30-10:	Broad Gift-Giving Power with Power to Disclaim; Gifts to Attorney-in-Fact Limited to "5 & 5" Power to Avoid General Power of	
		*Form 30-11:	Appointment	30-16
		*Form 30-12:	Power of Attorney	30-17
			Being in Full Force	30-17
		*Form 30-13:	POA Power to Pay Charitable Pledges	30-18
CHAPTI		AND ADVANC	E POWERS OF ATTORNEY E DIRECTIVES	31-1
				31-1
31.2 He	eaith Ca	re Powers of Attor	ney	31-1

31.3	Living V	Vill		31-1
		СНАБ	PART XII RITABLE GIFT PLANNING	
СНА	PTER 32		ITABLE GIFT PLANNING	32-1
32.1	Closely	-	rate Charitable Contributions	32-1
	32.1.1	Constructi	ve Dividends	32-1
	32.1.2	Redemption	on of Charitable Gifts of Business Interests	32-2
32.2	Individu	al Gifts and	Bequests	32-4
	32.2.1	Lifetime C	Gifts	32-4
		32.2.1.1	Income Tax Deduction Limits	32-4
		32.2.1.2	Unlimited Gift and Estate Tax Deduction	32-5
32.3	Split-Int	erest Gifts a	and Bequests	32-6
	32.3.1	General Fe	eatures of CRTs	32-6
	32.3.2	Unique As	pects of the Charitable Remainder Unitrust	
		(CRUT)		32-8
		32.3.2.1	Mandatory Provisions	32-11
		32.3.2.2	Optional Provisions	32-12
			*Form 32-1: Inter Vivos Charitable	
			Remainder Unitrust	32-14
	32.3.3	-	pects of the Charitable Remainder	
		-	rust (CRAT)	
		32.3.3.1	Mandatory Provisions	
		32.3.3.2	Optional Provisions	32-20
			*Form 32-2: <i>Inter Vivos</i> Charitable	
			Remainder Annuity Trust	
	32.3.4		f the Donor	
		32.3.4.1	Income Tax Deduction	
		32.3.4.2	Substantiation and Disclosure	
		32.3.4.3	Capital Gains	
		32.3.4.4	Gift Tax	
		32.3.4.5	Estate Tax	
		32.3.4.6	Generation-Skipping Transfer Tax	32-28
	32.3.5	Taxation o	f the Trust	32-28
		32.3.5.1	Reporting Requirements for a CRT	32-29
	32.3.6	Taxation o	f the Non-Charitable Beneficiary	32-29
	32.3.7	Prohibited	Transactions Rules	32-31
	32.3.8	Planning C	Considerations	32-31
		32.3.8.1	Funding the CRT	32-31

		32.3.8.2	Marital Deduction Planning—Spousal CRT or QTIP with Remainder to Charity 32-33
		32.3.8.3	Selecting a Trustee
		32.3.8.4	Choosing the CRUT or the CRAT 32-34
		32.3.8.5	Investment Issues
	32.3.9	Some Appl	ications
		32.3.9.1	Retirement Plan Supplement or Substitute
		32.3.9.2	Asset Diversification Opportunity 32-35
		32.3.9.3	Closely Held Businesses
		32.3.9.4	Charitable Giving and Wealth Replacement
		32.3.9.5	A Strategy for Dealing with Income in Respect of Decedent (IRD)
32.4	Charitab	ole Lead Trus	ıt
	32.4.1		Lead Trusts to Be Funded at the Death
	32.4.2		Lead Trusts to Be Funded During
			ifetime Death
	32.4.3	Taxation of	Lead Trusts
	32.4.2	Drafting Le	ead Trusts
	32.4.3	Planning fo	or Lead Trusts
		*Form 32-3	Provisions for Testamentary Charitable Lead Unitrust 32-42
32.5	Gifts of	Remainder I	nterests in Residence in Residence
	or Farm		
	32.5.1	Split-Intere	sts in Tangible Personal Property 32-45
			PART XIII
a 1 ·	. 7. 1		INDICES
_			INDEX-1
corm:	s maex		INDEX-7