

The High Cost of Dying

What Are the "Unwanted Heirs"?

There may be a mistaken impression that, at death, your assets will automatically be distributed to your loved ones. Instead, several "unwanted heirs" may step forward **FIRST** for their share of your estate and siphon off a **significant portion** of your estate's total value.

These "unwanted heirs" can include:

- Federal Estate Tax
- State Inheritance Tax
- Estate Administrative Costs (funeral expenses, probate costs, professional fees, final expenses and debts)

What might this mean to you?

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Gross Estate	Administrative Costs at 5% ⁽¹⁾	Taxable Estate	2009 Federal Estate Tax ⁽²⁾
\$ 1,000,000	\$ 50,000	\$ 950,000	\$ 0
2,000,000	100,000	1,900,000	0
3,000,000	150,000	2,850,000	0
4,000,000	200,000	3,800,000	135,000
5,000,000	250,000	4,750,000	562,500
7,500,000	375,000	7,125,000	1,631,250
10,000,000	500,000	9,500,000	2,700,000
15,000,000	750,000	14,250,000	4,837,500
20,000,000	1,000,000	19,000,000	6,975,000

(1) Actual costs may be higher or lower.

(2) Based on the 2009 estate tax rates and \$1,455,800 unified credit. The Economic Growth and Tax Relief Reconciliation Act of 2001 repeals the estate tax for one year – 2010. Under that law, the federal estate tax continues, but with increasing unified credits and decreasing top estate tax rates, until 2010 when it is repealed only for that year. Without future Congressional action, the 2001 federal estate tax rules will be reinstated in 2011, but with a \$1 million exemption equivalent (as scheduled to increase prior to the Act).