

Dynasty Trust

ESTATE PLANNING

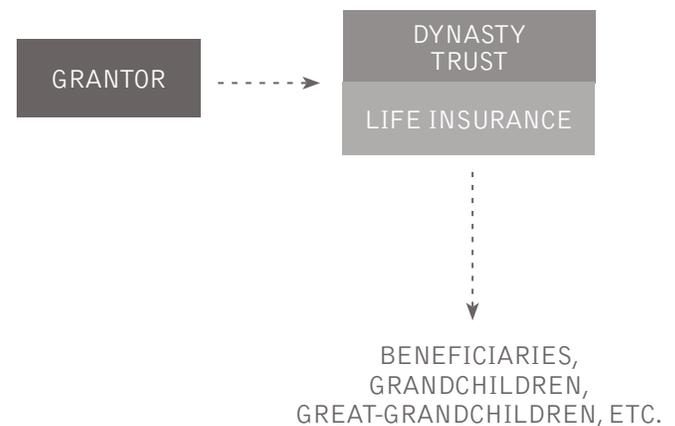
A DYNASTY TRUST is an irrevocable trust that can be an effective way to leave behind potentially large sums of money for future generations. Assets transferred to family members two or more generations younger than you will typically incur a generation-skipping transfer tax (GSTT), ensuring that the government doesn't lose out on taxes from the skipped generations.

This estate planning strategy takes advantage of the GSTT exemption—helping you avoid a significant tax (45% in 2009). The trust can also be leveraged with a life insurance policy that will provide increased long-term financial benefits.

BENEFITS

of a Dynasty Trust:

- Estate taxes are avoided on the money gifted to the trust. (Gift taxes may apply.)
- If the trust is properly structured and administered, the life insurance death benefit is excluded from estate taxes.
- The trustee can make discretionary distributions to the trust beneficiaries.
- Trust assets can produce large sums of money to provide a lasting legacy to future generations.



CONSIDERATIONS

with a Dynasty Trust:

- Gifts to the trust are irrevocable. (Gift taxes may apply.)
- Certain states have abolished rules permitting trusts to last indefinitely; otherwise, trusts are generally limited to 90 years.
- The GSTT exemption is limited to a certain dollar amount (\$3.5 million in 2009).

Are you a good candidate for a dynasty trust? George and Maria are.

GET TO KNOW THE BECKERS.

THEY KNOW A DYNASTY TRUST IS THE RIGHT MOVE FOR THEM.

IT ALLOWS THEM TO LEAVE A LEGACY FOR THEIR LOVED ONES.

George and Maria Becker have 11 grandchildren and three great-grandchildren, and they want to provide each one with a little extra financial security.

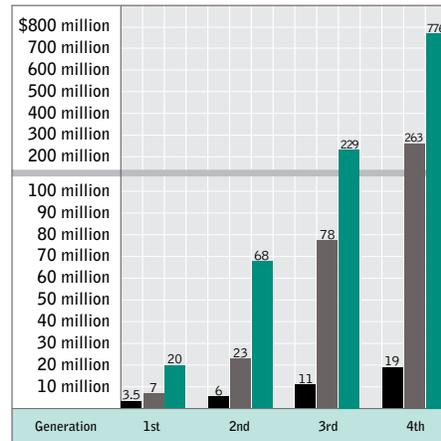
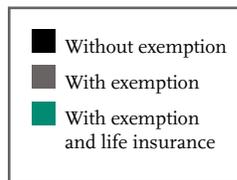
After discussing their situation with their financial advisor, George and Maria set up a dynasty trust. They took advantage of the generation-skipping transfer tax (GSTT) exemption, and with the lifetime gift tax exclusion, they also avoided paying a gift tax on the transfer to the dynasty trust.

George and Maria have appointed a trustee to manage the trust and make discretionary distributions for the trust beneficiaries—their grandkids and great-grandkids. And to ensure that their gift will go even further, the trust used their initial contribution to purchase a life insurance policy on Maria.

The Beckers set up their dynasty trust to grow and benefit the many generations that will come after them. The graph below illustrates just how much this trust could help George and Maria's initial investment grow.

The Power of Life Insurance with Dynasty Trusts¹

Notes: Assumes a growth of 5 percent per year after taxes and distribution payments to beneficiaries.



This chart is hypothetical and for illustrative purposes only. Past performance is no guarantee of future results.

¹ The policy illustrated is a Legacy Choice Universal Life Policy issued by Lincoln Benefit Life Company, a wholly owned subsidiary of Allstate Life Insurance Company, and is available in most states with contract series UL0420. The insured is a female, age 75, preferred nonsmoker with a guaranteed death benefit of \$5.9 million. The illustration assumes that death occurs in the first policy year.

With their dynasty trust, George and Maria will have the potential to provide security for their family . . . for generations to come.

You, too, can plan to leave a significant legacy for your family with the help of a dynasty trust.

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