

[Sender Name]
[Firm Name]
[Address]
[City, State, Zip Code]

[Date]

[Client Name]
[Address]
[City, State, Zip Code]

RE: Estate Tax Optimization and Generation-Skipping Transfer (GST) Strategy

Dear [Client Name],

Following our recent consultation, this letter outlines the proposed strategies to optimize your estate tax liability and manage Generation-Skipping Transfer (GST) tax implications.

1. Estate Tax Exposure Assessment

Based on your current asset valuation of \$[Amount], your estate exceeds the current federal unified credit exhaustion limit. Without intervention, the projected tax liability at a 40% rate is approximately \$[Amount].

2. Proposed Optimization Strategies

- **Irrevocable Life Insurance Trust (ILIT):** Removing death benefits from your taxable estate.
- **Grantor Retained Annuity Trusts (GRATs):** Transferring future appreciation to beneficiaries with minimal gift tax impact.
- **Family Limited Partnerships (FLPs):** Utilizing valuation discounts for lack of marketability and control.

3. Generation-Skipping Transfer (GST) Planning

To protect wealth across multiple generations, we recommend the following:

- **Dynasty Trust:** Utilizing your GST exemption (\$[Current Exemption Amount]) to fund a long-term trust that avoids estate taxation at each generational level.
- **Direct Skips:** Strategic gifting directly to grandchildren utilizing the annual exclusion limits.

4. Next Steps

To implement these structures, we require updated appraisals for [Property/Business Interests] and a formal review of your current beneficiary designations.

Please contact our office by [Date] to schedule a follow-up meeting to finalize these documents.

Sincerely,

[Signature]

[Printed Name]

[Title]