

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

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

RE: Advisory Regarding Federal Estate Tax Exemption Updates

Dear [Client Name],

We are writing to provide an important update regarding the federal estate and gift tax exemption levels. As part of our ongoing commitment to your financial and estate planning, we want to ensure you are aware of the current thresholds and upcoming legislative changes that may impact your legacy planning.

Current Exemption Levels

For the year [Current Year], the federal estate tax exemption has increased to \$[Amount] per individual (or \$[Amount] for married couples). This means that assets under this threshold can be transferred to heirs without incurring federal estate taxes.

The "Sunset" Provision

It is important to note that the current high exemption levels are scheduled to "sunset" on December 31, 2025. Unless Congress acts to extend the current laws, the exemption is expected to revert to approximately \$7 million per person (adjusted for inflation) on January 1, 2026. This represents a significant reduction from current levels.

Impact on Your Estate Plan

Because your estate may be affected by these shifting thresholds, we recommend a review of your current plan to address the following:

- Utilization of lifetime gifting strategies before the 2026 deadline.
- Evaluation of trust structures to maximize tax efficiency.
- Updating beneficiary designations and asset valuations.

Next Steps

We recommend scheduling a brief consultation to discuss how these updates specifically affect your situation. Please contact our office at [Phone Number] or [Email Address] to set up a meeting.

Sincerely,

[Name of Professional/Attorney]
[Title]
[Firm Name]