TAX EFFICIENT SOLUTIONS
Creating An Arbitrage

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ESTATE TAX ALERT

# The looming threat to estate tax exemptions

What high-net-worth clients need to know, and why proactive planning matters now.

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## What's been proposed

Assuming historical patterns and recent trends stay true, Democrats will likely take the House in 2026 and the Presidency in 2028 with clear intentions to increase taxes on wealthy families.

Senator Chris Van Hollen recently introduced the "Strengthen Social Security by Taxing Dynastic Wealth Act," which would slash the individual exemption **from $15 million down to just $3.5 million**, **raise the top estate tax rate from 40% to 45%**, and reduce the lifetime gift tax exemption to a mere $1 million.

A companion bill introduced by Senator Bernie Sanders mirrors these proposals, calling for a **near 70% reduction in the exemption** and the creation of new, higher estate tax brackets. For clients with estates currently protected by the expanded exemption, a Democratic sweep, which seems likely, could expose millions in previously sheltered assets to immediate taxation.

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## Proactive planning is an imperative.

For clients whose estates fall into that newly vulnerable range, properly structured and smartly underwritten life insurance, particularly within an Irrevocable Life Insurance Trust (ILIT), offers one of the few strategies that works **regardless of what Congress does**. The death benefit passes completely outside the taxable estate, delivers immediate liquidity to cover tax liabilities without forcing the sale of a business or real estate, and can be put in place today while favorable exemptions still exist.

*"We work hand in glove with the client's trusted advisors — attorneys, accountants and family offices — to ensure every component of the client's financial life aligns."*

**SCHEDULE A FREE STRATEGY SESSION**

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