LEVERAGED B TRUST AKA
CREDIT SHELTER TRUST

A trust established at the death of the first spouse for the benefit of the surviving spouse & ultimately their children

ADVANTAGES AND DISADVANTAGES

Advantages

- Trust assets are outside of the estate and not subject to estate tax
- Tax law provision allows assets to be moved into the trust up to the maximum amount allowed by law at the time - In 2017, that amount is $5.49 million

Disadvantages

- Trust assets are subject to income taxes, capital gains taxes and taxes on the dividends the trust receives
- No step-up in basis at the death of the surviving spouse
- Assets can be subject to fluctuations in value due to market volatility

THE SOLUTION

CLIENTS CAN REPOSITION B TRUST ASSETS INTO INSURANCE

BENEFITS

- Immediately shuts off all taxation as the insurance is a tax deferred asset
- Provides a step-up in basis at death
- Immediately provides leverage of the assets through the death benefit of the policy
- Can provide stability from market fluctuations
- Can provide a guaranteed amount of proceeds at death

If you have surviving spouses as clients, contact your Mercury Planning Specialist to learn more.

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