



### About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

## Questions answered about estate tax exemption and related issues

By Matthew Crider, JD | Family Wealth Protection Attorney

As you probably know by now, the issue of the estate tax exemption was finally resolved by Congress without major changes being made.

The lifetime exemption will remain at \$5.12 million, although the tax rate for amounts over the exemption increased slightly, from 35 percent to 40 percent.

And the annual gift tax exclusion rose to \$14,000 for 2013.

But what about other related issues?

Is the \$5.12 million exemption indexed for inflation?

Yes, it is. Some analysts are predicting it will rise to \$5.25 million to account for inflation.

**Is it portable?**

Yes, the exemption will continue to be portable between spouses. That means a surviving spouse can use the decedent spouse's unused federal estate tax exemption without having to rely on trusts.

That said, there are still a number of good reasons to use trusts, [according to an article in Forbes](#).

These include protecting assets from creditors, in cases where a surviving spouse might marry or because assets may appreciate in value, among other reasons.

**Is estate planning still necessary?**

Absolutely

Estate planners say that just because the lifetime exemption is now set at \$5.12 million, people may think they don't need to worry about estate planning. But that is not the case, says Forbes.



*Solutions for Families™*

DAVIS 530-231-5161

SACRAMENTO 916-229-8844

Asset protection, probate avoidance, planning for disability, reviewing beneficiaries, preserving your values through incentive trusts, and planning for business succession are just a few of the reasons why estate planning remains important. For help safeguarding your nest egg and to make sure your financial assets are transferred to whom you want, when you want, in the way you want, talk with an experienced estate planning attorney.