# Estate Planning With The Unlimited Marital Exclusion And Federal Estate Taxes

If you have sizable assets it is an advantage to be married. If a couple is married they can pass an unlimited amount of money to each other after they die without having to pay a federal estate tax. Bill Gates, Donald Trump, or Warren Buffett could pass all of their billions to their wives if they died and would not have to pay a cent of federal estate taxes.

This is a good temporary strategy for some that would have to pay estate taxes, but what happens if you do not want to give everything to the wife or husband. Most people with children want to give something to their children. There is an estate tax exclusion amount that changes year to year and counts in the year when you die. If you give any assets to someone besides your spouse in excess of the exclusion amount you will most likely pay federal estate taxes on this excess amount. This does not include giving assets to charity which also has an unlimited exclusion amount.

There are several strategies around the federal estate tax that a qualified estate planning attorney could help you with if you decide not to give everything to your spouse or charity. It is also important to plan for what will happen to all the assets after the death of the second spouse. This is when the federal government hopes to make up what they missed from the death of the first spouse in the unlimited marital exclusion. Proper planning while both spouses are still alive can eliminate problems down the line and ensure that the maximum amount of assets get passed to loved ones and charity and not to the federal government in estate taxes. Proper planning could include the use of living trusts or charitable giving or a combination of several different estate planning tactics to give the maximum amount to loved ones and the fewest amount to the federal government in taxes.

There is also a portability feature that allows one spouse to carry over the exclusions amount from a deceased spouse. This means that after one spouse dies then the surviving spouse can use the unlimited martial exclusion to receive all the assets of the estate and still utilize the exemption amount for the year that the spouse died and add it to the exclusion amount the year they die and possible double the allowed exclusion amount.

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