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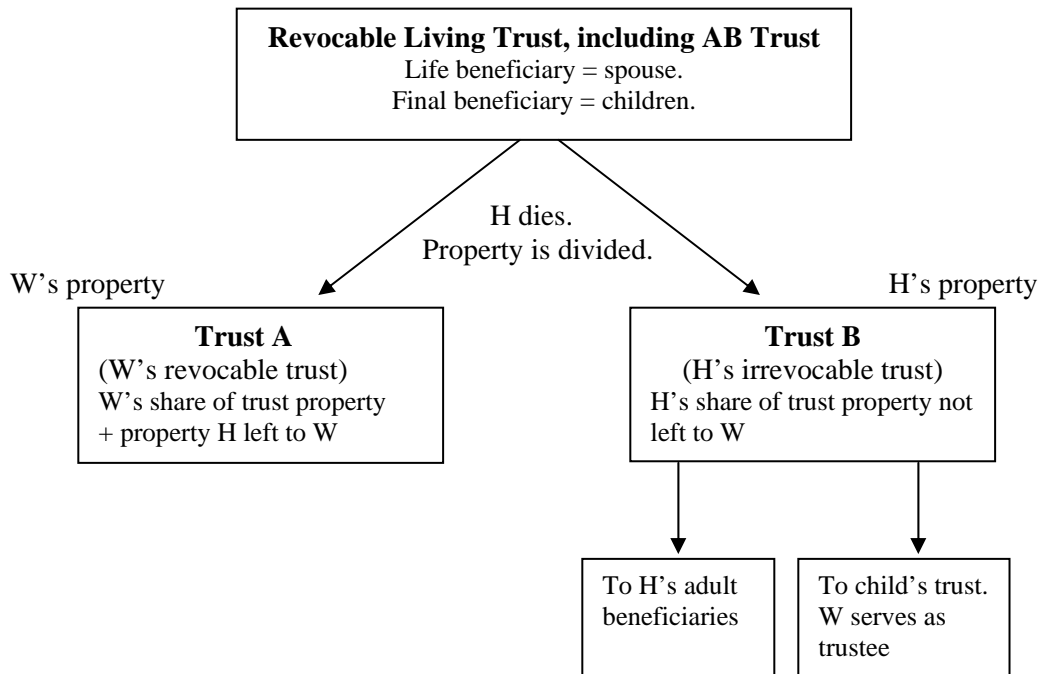
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How an AB Trust Works



Couple co-owns property worth \$2 million.
Each partner's share is \$1 million.



How the Second Estate Tax Can Cost Your Family Money

Scenario #1: No Planning

H dies in 2011, leaving \$1 million to W.

Estate tax exemption = \$1 million.

No estate tax.

W dies in 2011, leaving \$2 million to the children.

Estate tax exemption = \$1 million.

Estate tax = \$550,000.

Scenario #2: AB Trust

H dies in 2011, leaving \$1 million to the B Trust, for W to use and their children to inherit when W dies.

Estate tax exemption = \$1 million.

No estate tax.

W dies in 2011, leaving \$1 million to the children.

Estate tax exemption = \$1 million.

Estate tax = \$0.