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Ask a trust officer: Estate planning for the married

DEAR TRUST OFFICER:

Most married couples will never need to worry about filing a federal estate tax return, will they? I've heard that for couples the federal estate tax exemption is over \$10 million.

—AFFLUENT, NOT WEALTHY

DEAR AFFLUENT:

On the contrary, in the vast majority of cases of an estate with a surviving spouse, a federal estate tax return should be filed, even if no estate tax will be payable.

The reason has to do with the portability of unused estate tax exclusion amounts between spouses. Let us suppose that Spouse One dies in 2015 with an estate of \$2.43 million. No estate tax, because the federal estate tax doesn't kick in until \$5.43 million.

If Spouse One's estate did not pass to Spouse Two, the unused exclusion amount is \$3 million. If it did pass to Spouse Two, none of his exclusion was consumed; the marital deduction eliminated federal estate tax. In that case, the unused exclusion amount is \$5.43 million.

The hitch is, to secure this additional tax benefit for Spouse Two, an estate tax return must be timely filed for Spouse One. One might believe that only one surviving spouse in a thousand is likely to need this tax benefit—but even that small chance is enough for most estate executors to choose to make the filing to nail down the benefit.

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