



## Client Articles

### Gifting: A Win-Win Proposition

#### Description

Read this article to learn how you can make annual gifts of up to \$13,000 (\$26,000 per married couple) to as many people as you wish without incurring federal gift taxes.

Did you know that there's a wealth-transfer technique you can use to reduce your taxable estate and keep more of your assets for your heirs? You can make annual gifts of up to \$13,000 (\$26,000 per married couple) to as many people as you wish without incurring federal gift taxes.

An example: A married couple with three children could reduce their estate by \$78,000 each year if \$26,000 were given to each of their children.

Gifting can be used in a number of unique ways. You can use annual gifts to help build a college fund for a child, grandchild, relative, or even a friend -- by contributing to a 529 plan account, a Coverdell Education Savings Account, or a UGMA/UGTA account. In fact, 529 plans have special rules that allow you to make five years' worth of contributions in one year without incurring any gift taxes -- that's \$65,000 for individuals and \$130,000 for married couples!

Gifts can also be used to build wealth for future generations as well as help a child, relative, or friend fund a down payment on a home, buy a car, or start a business. Your financial advisor can help you determine how annual gifts might fit into your overall financial plan.

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