



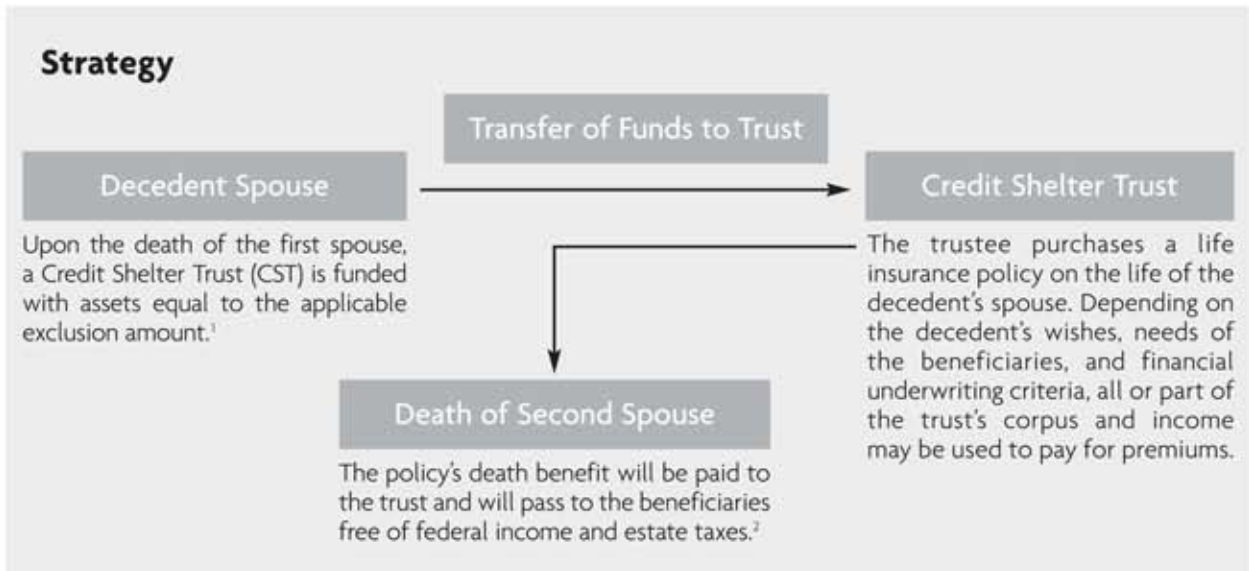
## SunSolutions For Life<sup>SM</sup> The Leveraged Credit Shelter Trust

### Financial Situation

Many high net worth clients have developed an estate plan, which includes the creation of a Credit Shelter Trust (CST). Typically, the CST is set up to remove the “applicable exclusion” amount from the surviving spouse’s estate and effectively transfer it at the first death for the benefit of the spouse, children or other heirs. The CST may be set up to provide a lifetime income to the surviving spouse. If the surviving spouse does not have a need for income from the CST, it may be advantageous to leverage the trust assets to maximize the amount of wealth transferred to heirs.

### Possible Solution

Consider leveraging a Credit Shelter Trust using life insurance.



### Results

The surviving spouse is able to maximize the amount of wealth transferred to heirs.

<sup>1</sup>The applicable exclusion amount is \$2,000,000 in 2006 through 2008, increasing to \$3,500,000 in 2009, and reverting back to \$1,000,000 in 2011 under current law.

<sup>2</sup>Any income earned by the trust as a result of any investment of the death proceeds prior to distribution will be taxable to the trust or the beneficiaries.

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# Additional Benefits

## Tax-Deferral

The tax-deferral of life insurance reduces trust income taxes.

## Flexibility

Flexibility in the life insurance design allows the trust to be fully funded with life insurance or with a combination of life insurance and non-life insurance assets.

## Maximize Transfer of Wealth

Estate taxes are eliminated as the trust receives death proceeds generally income tax-free and distributes wealth to heirs free of federal income and estate taxes. Any income earned by the trust as a result of any investment of the death proceeds prior to distribution will be taxable to the trust or the beneficiaries.

## Protection

The trust provides protection from potential creditors, liabilities, or other unforeseen losses of the surviving spouse.

# Strength and Security of Sun Life Financial

To help individuals, small businesses, and corporations plan for and achieve financial security, Sun Life Financial provides a diverse range of wealth accumulation and protection products and services. Chartered in 1865, Sun Life Financial and its partners today have operations in key markets worldwide.

## Notes:

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This information is for general education of producers and contains references to concepts that have significant legal, accounting and tax implications. It is not intended as legal, accounting or tax advice. Clients should consult with their own tax advisor regarding the application of these concepts to any particular situation.

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