

# A Quick Estate Planning Quiz

**True or False ( ) 1.** A **will** provides for the distribution of your assets according to your wishes.

**True or False ( ) 2.** One disadvantage of **probate** is that your private assets become a matter of public record.

**True or False ( ) 3.** If you use the **marital deduction**, you can pass an unlimited amount of wealth to your spouse free of tax.

**True or False ( ) 4.** The **applicable exclusion amount** effectively exempts an estate of \$14,000,000 from Federal tax.

While this quiz is designed to test your general knowledge about estate planning, its larger purpose is to stimulate your thinking about issues that may need your attention. Let's see how you did.

**1. True.** However, contract assets, such as qualified retirement plans and life insurance policies, will pass according to the terms of the contract.

**2. True.** Probate is always a public proceeding.

**3. True.** In using the marital deduction, you can pass unlimited assets to your spouse without paying estate taxes at your death.

**4. False.** The applicable exclusion amount is \$5.12 million for each individual in 2012. If the unlimited marital deduction is used at the death of the first spouse, that spouse will have forgone use of his or her applicable exclusion amount; at the death of the second spouse, the estate could be subject to greater estate taxes than if the applicable exclusion amount had also been used at the death of the first spouse.

Early planning with the proper tax, legal, and financial professionals can help you choose the appropriate strategies for *your* situation.

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