

**Historical Numbers**

Year	Annual Increase in Consumer Price Index - All Urban Consumers	Inflation According to ShadowStats.com	Return on S&P 500	Florida Annual Home Price Appreciation Rates*
1982	3.80%	3.83%	21.55%	7.02%
1983	3.80%	5.29%	22.56%	2.31%
1984	3.90%	4.58%	6.27%	1.51%
1985	3.80%	2.91%	31.73%	2.54%
1986	1.10%	4.99%	18.67%	4.42%
1987	4.40%	5.93%	5.25%	2.79%
1988	4.40%	6.70%	16.61%	4.89%
1989	4.60%	7.68%	31.69%	3.92%
1990	6.10%	6.52%	-3.11%	0.26%
1991	3.10%	5.32%	30.47%	3.09%
1992	2.90%	5.42%	7.62%	2.10%
1993	2.70%	5.98%	10.08%	2.99%
1994	2.70%	6.51%	1.32%	-0.73%
1995	2.50%	7.73%	37.58%	4.43%
1996	3.30%	8.03%	22.96%	1.23%
1997	1.70%	7.79%	33.36%	4.33%
1998	1.60%	8.46%	28.58%	4.76%
1999	2.70%	9.73%	21.04%	3.84%
2000	3.40%	9.11%	-9.11%	8.19%
2001	1.60%	7.85%	-11.89%	10.45%
2002	2.40%	8.54%	-22.10%	10.54%
2003	1.90%	9.08%	28.68%	11.95%
2004	3.30%	10.05%	10.88%	19.61%
2005	3.40%	10.17%	4.91%	27.16%
2006	2.50%	10.50%	15.79%	7.92%
2007	4.10%	11.56%	5.49%	-7.52%
2008	0.10%	7.03%	-37.00%	-21.02%
2009	2.70%	8.91%	26.46%	-10.48%
2010	1.50%	10.71%	15.06%	-5.48%
2011	3.00%	9.68%	2.11%	-5.53%
Compound Annual Growth Rate ("CAGR")	2.96%		10.98%	3.03%

**Projected Estate Tax Exclusion Calculations**

Historical Growth of Consumer Price Index from 1981 - 2011**		
Year	Price Index at Close of Year	Percentage Increase from Prior Year
1981	94.0	
1982	97.6	3.8%
1983	101.3	3.8%
1984	105.3	3.9%
1985	109.3	3.8%
1986	110.5	1.1%
1987	115.4	4.4%
1988	120.5	4.4%
1989	126.1	4.6%
1990	133.8	6.1%
1991	137.9	3.1%
1992	141.9	2.9%
1993	145.8	2.7%
1994	149.7	2.7%
1995	153.5	2.5%
1996	158.6	3.3%
1997	161.3	1.7%
1998	163.9	1.6%
1999	168.3	2.7%
2000	174.0	3.4%
2001	176.7	1.6%
2002	180.9	2.4%
2003	184.3	1.9%
2004	190.3	3.3%
2005	196.8	3.4%
2006	201.8	2.5%
2007	210.0	4.1%
2008	210.2	0.1%
2009	215.9	2.7%
2010	219.2	1.5%
2011	225.7	3.0%

Surviving Spouse's Projected Total Estate Tax Exclusion Based on Compound Annual Growth Rate of Consumer Price Index from December 1981 - December 2011				
Years After First Spouse's Passing	Deceased Spouse's Exclusion	Surviving Spouse's Exclusion	Surviving Spouse's Total Exclusion	
1	\$5,250,000	\$5,250,000	\$10,500,000	
2	\$5,250,000	\$5,405,400	\$10,655,400	
3	\$5,250,000	\$5,565,400	\$10,815,400	
4	\$5,250,000	\$5,730,136	\$10,980,136	
5	\$5,250,000	\$5,899,748	\$11,149,748	
6	\$5,250,000	\$6,074,380	\$11,324,380	
7	\$5,250,000	\$6,254,182	\$11,504,182	
8	\$5,250,000	\$6,439,306	\$11,689,306	
9	\$5,250,000	\$6,629,909	\$11,879,909	
10	\$5,250,000	\$6,826,154	\$12,076,154	
11	\$5,250,000	\$7,028,209	\$12,278,209	
12	\$5,250,000	\$7,236,244	\$12,486,244	
13	\$5,250,000	\$7,450,436	\$12,700,436	
14	\$5,250,000	\$7,670,969	\$12,920,969	
15	\$5,250,000	\$7,898,030	\$13,148,030	
16	\$5,250,000	\$8,131,812	\$13,381,812	
17	\$5,250,000	\$8,372,513	\$13,622,513	
18	\$5,250,000	\$8,620,340	\$13,870,340	
19	\$5,250,000	\$8,875,502	\$14,125,502	
20	\$5,250,000	\$9,138,217	\$14,388,217	
21	\$5,250,000	\$9,408,708	\$14,658,708	
22	\$5,250,000	\$9,687,206	\$14,937,206	
23	\$5,250,000	\$9,973,947	\$15,223,947	
24	\$5,250,000	\$10,269,176	\$15,519,176	
25	\$5,250,000	\$10,573,143	\$15,823,143	
26	\$5,250,000	\$10,886,108	\$16,136,108	
27	\$5,250,000	\$11,208,337	\$16,458,337	
28	\$5,250,000	\$11,540,104	\$16,790,104	
29	\$5,250,000	\$11,881,691	\$17,131,691	
30	\$5,250,000	\$12,233,389	\$17,483,389	
		\$12,595,497	\$17,845,497	

Growth of Estate Tax Exclusion Based on Compound Annual Growth Rate of Consumer Price Index from December 1981 - December 2011 vs. Gassman's Estimated Growth of True Inflation					
	Historical CPI Compound Annual Growth Rate	Projected Exclusion	Estimated Real Inflation Assuming 1% Underestimate per Year	Exclusion Based on Estimated Real Inflation	Difference in CPI and Estimate Inflation Adjusted Exclusion
Current Exclusion		\$5,250,000		\$5,250,000	
Year 1	2.96%	\$5,405,400	3.96%	\$5,457,900	\$52,500
Year 2	2.96%	\$5,565,400	3.96%	\$5,674,033	\$108,633
Year 3	2.96%	\$5,730,136	3.96%	\$5,898,725	\$168,589
Year 4	2.96%	\$5,899,748	3.96%	\$6,132,314	\$232,566
Year 5	2.96%	\$6,074,380	3.96%	\$6,375,154	\$300,773
Year 6	2.96%	\$6,254,182	3.96%	\$6,627,610	\$373,428
Year 7	2.96%	\$6,439,306	3.96%	\$6,890,063	\$450,757
Year 8	2.96%	\$6,629,909	3.96%	\$7,162,910	\$533,000
Year 9	2.96%	\$6,826,154	3.96%	\$7,446,561	\$620,406
Year 10	2.96%	\$7,028,209	3.96%	\$7,741,445	\$713,236
Year 11	2.96%	\$7,236,244	3.96%	\$8,048,006	\$811,762
Year 12	2.96%	\$7,450,436	3.96%	\$8,366,707	\$916,270
Year 13	2.96%	\$7,670,969	3.96%	\$8,698,028	\$1,027,059
Year 14	2.96%	\$7,898,030	3.96%	\$9,042,470	\$1,144,440
Year 15	2.96%	\$8,131,812	3.96%	\$9,400,552	\$1,268,741
Year 16	2.96%	\$8,372,513	3.96%	\$9,772,814	\$1,400,301
Year 17	2.96%	\$8,620,340	3.96%	\$10,159,818	\$1,539,478
Year 18	2.96%	\$8,875,502	3.96%	\$10,562,146	\$1,686,645
Year 19	2.96%	\$9,138,217	3.96%	\$10,980,407	\$1,842,191
Year 20	2.96%	\$9,408,708	3.96%	\$11,415,231	\$2,006,524
Year 21	2.96%	\$9,687,206	3.96%	\$11,867,275	\$2,180,069
Year 22	2.96%	\$9,973,947	3.96%	\$12,337,219	\$2,363,272
Year 23	2.96%	\$10,269,176	3.96%	\$12,825,773	\$2,556,597
Year 24	2.96%	\$10,573,143	3.96%	\$13,333,673	\$2,760,530
Year 25	2.96%	\$10,886,108	3.96%	\$13,861,687	\$2,975,578
Year 26	2.96%	\$11,208,337	3.96%	\$14,410,609	\$3,202,272
Year 27	2.96%	\$11,540,104	3.96%	\$14,981,269	\$3,441,166
Year 28	2.96%	\$11,881,691	3.96%	\$15,574,528	\$3,692,837
Year 29	2.96%	\$12,233,389	3.96%	\$16,191,279	\$3,957,890
Year 30	2.96%	\$12,595,497	3.96%	\$16,832,454	\$4,236,956

**Projected Growth of \$5,250,000 and \$2,625,000 Investments**

Historical Growth of \$5,250,000 in S&P 500 from January 4, 1981 to December 30, 2011 with No Fees or Costs		
	Historical Return on S&P 500	Value of Investment Less Yearly
Initial Investment		\$5,250,000
Year 1	21.55%	\$6,381,375
Year 2	22.56%	\$7,821,013
Year 3	6.27%	\$8,311,391
Year 4	31.73%	\$10,948,595
Year 5	18.67%	\$12,992,698
Year 6	5.25%	\$13,674,814
Year 7	16.61%	\$15,946,201
Year 8	31.69%	\$20,999,552
Year 9	-3.11%	\$20,346,466
Year 10	30.47%	\$26,546,034
Year 11	7.62%	\$28,568,842
Year 12	10.08%	\$31,448,581
Year 13	1.32%	\$31,863,703
Year 14	37.58%	\$43,838,082
Year 15	22.96%	\$53,903,306
Year 16	33.36%	\$71,885,448
Year 17	28.58%	\$92,430,309
Year 18	21.04%	\$111,877,647
Year 19	-9.11%	\$101,685,593
Year 20	-11.89%	\$89,595,176
Year 21	-22.10%	\$69,794,642
Year 22	28.68%	\$89,811,745
Year 23	10.88%	\$99,583,263
Year 24	4.91%	\$104,472,802
Year 25	15.79%	\$120,969,057
Year 26	5.49%	\$127,610,258
Year 27	-37.00%	\$80,394,463
Year 28	26.46%	\$101,666,837
Year 29	15.06%	\$116,977,863
Year 30	2.11%	\$119,446,096

Projected Growth of \$5,250,000 Invested in S&P 500 over 30 Years, Assuming: Historical CAGR from 1/4/1981-12/30/2011, and 1.5% Yearly Fees and Costs		
	S&P 500 Compound Annual Growth Rate	Value of Investment
Initial Investment		\$5,250,000
Year 1	10.98%	\$5,739,053
Year 2	10.98%	\$6,273,663
Year 3	10.98%	\$6,858,074
Year 4	10.98%	\$7,496,924
Year 5	10.98%	\$8,195,285
Year 6	10.98%	\$8,958,700
Year 7	10.98%	\$9,793,230
Year 8	10.98%	\$10,705,499
Year 9	10.98%	\$11,702,748
Year 10	10.98%	\$12,792,894
Year 11	10.98%	\$13,984,591
Year 12	10.98%	\$15,287,297
Year 13	10.98%	\$16,711,355
Year 14	10.98%	\$18,268,068
Year 15	10.98%	\$19,969,793
Year 16	10.98%	\$21,830,039
Year 17	10.98%	\$23,863,573
Year 18	10.98%	\$26,086,536
Year 19	10.98%	\$28,516,576
Year 20	10.98%	\$31,172,980
Year 21	10.98%	\$34,076,837
Year 22	10.98%	\$37,251,196
Year 23	10.98%	\$40,721,257
Year 24	10.98%	\$44,514,564
Year 25	10.98%	\$48,661,229
Year 26	10.98%	\$53,194,169
Year 27	10.98%	\$58,149,365
Year 28	10.98%	\$63,566,153
Year 29	10.98%	\$69,487,531
Year 30	10.98%	\$75,960,503

Projected Growth of \$5,250,000, Assuming: 7% Compounded Rate of Return, and 1.5% Yearly Fees and Costs		
	7% Compound Annual Growth Rate	Value of Investment
Initial Investment		\$5,250,000
Year 1	7.00%	\$5,533,238
Year 2	7.00%	\$5,831,756
Year 3	7.00%	\$6,146,379
Year 4	7.00%	\$6,477,976
Year 5	7.00%	\$6,827,463
Year 6	7.00%	\$7,195,804
Year 7	7.00%	\$7,584,018
Year 8	7.00%	\$7,993,176
Year 9	7.00%	\$8,424,408
Year 10	7.00%	\$8,878,905
Year 11	7.00%	\$9,357,921
Year 12	7.00%	\$9,862,781
Year 13	7.00%	\$10,394,878
Year 14	7.00%	\$10,955,682
Year 15	7.00%	\$11,546,741
Year 16	7.00%	\$12,169,688
Year 17	7.00%	\$12,826,242
Year 18	7.00%	\$13,518,218
Year 19	7.00%	\$14,247,526
Year 20	7.00%	\$15,016,180
Year 21	7.00%	\$15,826,303
Year 22	7.00%	\$16,680,132
Year 23	7.00%	\$17,580,025
Year 24	7.00%	\$18,528,467
Year 25	7.00%	\$19,528,078
Year 26	7.00%	\$20,581,618
Year 27	7.00%	\$21,691,996
Year 28	7.00%	\$22,862,280
Year 29	7.00%	\$24,095,700
Year 30	7.00%	\$25,395,663

Projected Growth of \$2,625,000 Invested in S&P 500 over 30 Years, Assuming: Historical CAGR from 1/4/1981-12/30/2011, and 1.5% Yearly Fees and Costs		
	S&P 500 Compound Annual Growth Rate	Value of Investment Less Yearly
Initial Investment		\$2,625,000
Year 1	10.98%	\$2,869,527
Year 2	10.98%	\$3,136,832
Year 3	10.98%	\$3,429,037
Year 4	10.98%	\$3,748,462
Year 5	10.98%	\$4,097,642
Year 6	10.98%	\$4,479,350
Year 7	10.98%	\$4,896,615
Year 8	10.98%	\$5,352,749
Year 9	10.98%	\$5,851,374
Year 10	10.98%	\$6,396,447
Year 11	10.98%	\$6,992,295
Year 12	10.98%	\$7,643,649
Year 13	10.98%	\$8,355,678
Year 14	10.98%	\$9,134,034
Year 15	10.98%	\$9,984,897
Year 16	10.98%	\$10,915,020
Year 17	10.98%	\$11,931,787
Year 18	10.98%	\$13,043,268
Year 19	10.98%	\$14,258,288
Year 20	10.98%	\$15,586,490
Year 21	10.98%	\$17,038,418
Year 22	10.98%	\$18,625,598
Year 23	10.98%	\$20,360,629
Year 24	10.98%	\$22,257,282
Year 25	10.98%	\$24,330,615
Year 26	10.98%	\$26,597,085
Year 27	10.98%	\$29,074,683
Year 28	10.98%	\$31,783,077
Year 29	10.98%	\$34,743,766
Year 30	10.98%	\$37,980,252

Projected Growth of \$2,625,000, Assuming: 7% Compounded Rate of Return, and 1.5% Yearly Fees and Costs		
	7% Compound Annual Growth Rate	Value of Investment
Initial Investment		\$2,625,000
Year 1	7.00%	\$2,766,619
Year 2	7.00%	\$2,915,878
Year 3	7.00%	\$3,073,189
Year 4	7.00%	\$3,238,988
Year 5	7.00%	\$3,413,731
Year 6	7.00%	\$3,597,902
Year 7	7.00%	\$3,792,009
Year 8	7.00%	\$3,996,588
Year 9	7.00%	\$4,212,204
Year 10	7.00%	\$4,439,452
Year 11	7.00%	\$4,678,961
Year 12	7.00%	\$4,931,391
Year 13	7.00%	\$5,197,439
Year 14	7.00%	\$5,477,841
Year 15	7.00%	\$5,773,371
Year 16	7.00%	\$6,084,844
Year 17	7.00%	\$6,413,121
Year 18	7.00%	\$6,759,109
Year 19	7.00%	\$7,123,763
Year 20	7.00%	\$7,508,090
Year 21	7.00%	\$7,913,151
Year 22	7.00%	\$8,340,066
Year 23	7.00%	\$8,790,013
Year 24	7.00%	\$9,264,234
Year 25	7.00%	\$9,764,039
Year 26	7.00%	\$10,290,809
Year 27	7.00%	\$10,845,998
Year 28	7.00%	\$11,431,140
Year 29	7.00%	\$12,047,850
Year 30	7.00%	\$12,697,831

## Projected Growth of \$2,000,000 Home

<b>Historical Growth of Value of \$2,000,000 Florida Home, 1982 - 2011</b>		
	Florida Annual Average Home Price Appreciation Rates*	Value
Initial Value		\$2,000,000
1982	7.02%	\$2,140,400
1983	2.31%	\$2,189,843
1984	1.51%	\$2,222,910
1985	2.54%	\$2,279,372
1986	4.42%	\$2,380,120
1987	2.79%	\$2,446,525
1988	4.89%	\$2,566,160
1989	3.92%	\$2,666,754
1990	0.26%	\$2,673,688
1991	3.09%	\$2,756,304
1992	2.10%	\$2,814,187
1993	2.99%	\$2,898,331
1994	-0.73%	\$2,877,173
1995	4.43%	\$3,004,632
1996	1.23%	\$3,041,589
1997	4.33%	\$3,173,290
1998	4.76%	\$3,324,338
1999	3.84%	\$3,451,993
2000	8.19%	\$3,734,711
2001	10.45%	\$4,124,988
2002	10.54%	\$4,559,762
2003	11.95%	\$5,104,654
2004	19.61%	\$6,105,676
2005	27.16%	\$7,763,978
2006	7.92%	\$8,378,885
2007	-7.52%	\$7,748,793
2008	-21.02%	\$6,119,997
2009	-10.48%	\$5,478,621
2010	-5.48%	\$5,178,393
2011	-5.53%	\$4,892,028

<b>Projected Growth of Florida Home Based on 1982 - 2011 Florida Home Price Compound Annual Growth Rate</b>		
	Florida Home Price Compound Annual Growth Rate	Home Value
Initial Value		\$2,000,000
Year 1	3.03%	\$2,060,600
Year 2	3.03%	\$2,123,036
Year 3	3.03%	\$2,187,364
Year 4	3.03%	\$2,253,641
Year 5	3.03%	\$2,321,927
Year 6	3.03%	\$2,392,281
Year 7	3.03%	\$2,464,767
Year 8	3.03%	\$2,539,450
Year 9	3.03%	\$2,616,395
Year 10	3.03%	\$2,695,672
Year 11	3.03%	\$2,777,351
Year 12	3.03%	\$2,861,504
Year 13	3.03%	\$2,948,208
Year 14	3.03%	\$3,037,539
Year 15	3.03%	\$3,129,576
Year 16	3.03%	\$3,224,402
Year 17	3.03%	\$3,322,101
Year 18	3.03%	\$3,422,761
Year 19	3.03%	\$3,526,471
Year 20	3.03%	\$3,633,323
Year 21	3.03%	\$3,743,413
Year 22	3.03%	\$3,856,838
Year 23	3.03%	\$3,973,700
Year 24	3.03%	\$4,094,103
Year 25	3.03%	\$4,218,155
Year 26	3.03%	\$4,345,965
Year 27	3.03%	\$4,477,647
Year 28	3.03%	\$4,613,320
Year 29	3.03%	\$4,753,104
Year 30	3.03%	\$4,897,123

## Projected Growth of Annual \$100,000 Investment

**Projected Growth of \$100,000 Yearly Investment in S&P 500 over 30 Years,  
Assuming: \$100,000 Invested on First Day of Market Each year, Historical CAGR  
from 1/4/1981-12/30/2011, and 1.5% Yearly Fees and Costs\*\*\*\*\***

	Additional Investment on First Market Day of Year	S&P Compound Annual Growth Rate	Value of Investment at End of Year
Year 1	\$100,000	10.98%	\$109,315
Year 2	\$100,000	10.98%	\$228,814
Year 3	\$100,000	10.98%	\$359,444
Year 4	\$100,000	10.98%	\$502,242
Year 5	\$100,000	10.98%	\$658,343
Year 6	\$100,000	10.98%	\$828,985
Year 7	\$100,000	10.98%	\$1,015,522
Year 8	\$100,000	10.98%	\$1,219,437
Year 9	\$100,000	10.98%	\$1,442,346
Year 10	\$100,000	10.98%	\$1,686,020
Year 11	\$100,000	10.98%	\$1,952,394
Year 12	\$100,000	10.98%	\$2,243,580
Year 13	\$100,000	10.98%	\$2,561,892
Year 14	\$100,000	10.98%	\$2,909,855
Year 15	\$100,000	10.98%	\$3,290,232
Year 16	\$100,000	10.98%	\$3,706,042
Year 17	\$100,000	10.98%	\$4,160,586
Year 18	\$100,000	10.98%	\$4,657,473
Year 19	\$100,000	10.98%	\$5,200,646
Year 20	\$100,000	10.98%	\$5,794,417
Year 21	\$100,000	10.98%	\$6,443,499
Year 22	\$100,000	10.98%	\$7,153,046
Year 23	\$100,000	10.98%	\$7,928,689
Year 24	\$100,000	10.98%	\$8,776,585
Year 25	\$100,000	10.98%	\$9,703,466
Year 26	\$100,000	10.98%	\$10,716,688
Year 27	\$100,000	10.98%	\$11,824,295
Year 28	\$100,000	10.98%	\$13,035,079
Year 29	\$100,000	10.98%	\$14,358,651
Year 30	\$100,000	10.98%	\$15,805,518

**Projected Growth of \$100,000 Yearly Investment in S&P 500 over 30 Years,  
Assuming: \$100,000 Invested on First Day of Market Each year, 7% Compound  
Rate of Return, and 1.5% Yearly Fees and Costs\*\*\*\*\***

	Additional Investment on First Market Day of Year	7% Compound Rate of Return	Value of Investment at End of Year
Year 1	\$100,000	7.00%	\$105,395
Year 2	\$100,000	7.00%	\$216,476
Year 3	\$100,000	7.00%	\$333,550
Year 4	\$100,000	7.00%	\$456,940
Year 5	\$100,000	7.00%	\$586,987
Year 6	\$100,000	7.00%	\$724,050
Year 7	\$100,000	7.00%	\$868,507
Year 8	\$100,000	7.00%	\$1,020,758
Year 9	\$100,000	7.00%	\$1,181,223
Year 10	\$100,000	7.00%	\$1,350,345
Year 11	\$100,000	7.00%	\$1,528,591
Year 12	\$100,000	7.00%	\$1,716,454
Year 13	\$100,000	7.00%	\$1,914,451
Year 14	\$100,000	7.00%	\$2,123,131
Year 15	\$100,000	7.00%	\$2,343,069
Year 16	\$100,000	7.00%	\$2,574,873
Year 17	\$100,000	7.00%	\$2,819,182
Year 18	\$100,000	7.00%	\$3,076,672
Year 19	\$100,000	7.00%	\$3,348,053
Year 20	\$100,000	7.00%	\$3,634,076
Year 21	\$100,000	7.00%	\$3,935,529
Year 22	\$100,000	7.00%	\$4,253,246
Year 23	\$100,000	7.00%	\$4,588,104
Year 24	\$100,000	7.00%	\$4,941,027
Year 25	\$100,000	7.00%	\$5,312,990
Year 26	\$100,000	7.00%	\$5,705,021
Year 27	\$100,000	7.00%	\$6,118,202
Year 28	\$100,000	7.00%	\$6,553,674
Year 29	\$100,000	7.00%	\$7,012,640
Year 30	\$100,000	7.00%	\$7,496,367

\*Data from:

<http://www.forecast-chart.com/real-estate-florida.html>

\*\* Data from U.S. Department of Labor Bureau of Labor Statistics:

<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt>

\*\*\*Compound Average Growth Rate calculated through the free CAGR calculator available at: <http://www.investopedia.com/calculator/cagr.aspx>

\*\*\*\*S&P 500 Statistics from Yahoo Finance.

January 4, 1982 used as starting date because market was closed on the 1st for New Year's Day, and 2nd and 3rd were a Saturday and Sunday, respectively. Closing number from December 30 used because December 31, 2011 was a Saturday.

\*\*\*\*\* Formula assumes individual already used \$14,000 annual gift exclusion

## Scenario #1: No Bypass Trust

<b>Projected Value of Estate Based on 1982-2011 Compound Annual Rate of Growth (10.98%)</b>				
	Projected Home Value	+ Amount Currently Invested*	+ Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$5,250,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$19,969,793	\$3,290,232	\$26,389,601
After 30 Years	\$4,897,123	\$75,960,503	\$15,805,518	\$96,663,144

<b>Projected Value of Estate Based on 7% Compound Rate of Return</b>				
	Projected Home Value	+ Amount Currently Invested*	+ Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$5,250,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$11,546,741	\$2,343,069	\$17,019,386
After 30 Years	\$4,897,123	\$25,395,663	\$7,496,367	\$37,789,152

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at First Spouse's Death	\$5,250,000	\$5,250,000	\$10,500,000
After 15 Years	\$5,250,000	\$8,131,812	\$13,381,812
After 30 Years	\$5,250,000	\$12,595,497	\$17,845,497

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at First Spouse's Death	\$5,250,000	\$5,250,000	\$10,500,000
After 15 Years	\$5,250,000	\$8,131,812	\$13,381,812
After 30 Years	\$5,250,000	\$12,595,497	\$17,845,497

<b>Projected Tax Liability after 15 Years</b>			
Projected Total Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$26,389,601	\$13,381,812	\$13,007,789	\$5,203,116

<b>Projected Tax Liability after 15 Years</b>			
Projected Total Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$17,019,386	\$13,381,812	\$3,637,574	\$1,455,030

<b>Projected Tax Liability after 30 Years</b>			
Projected Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$96,663,144	\$17,845,497	\$78,817,646	\$31,527,059

<b>Projected Tax Liability after 30 Years</b>			
Projected Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$37,789,152	\$17,845,497	\$19,943,655	\$7,977,462

\*Calculations assume 1.5% per year in investment fees and costs

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## Scenario #2: First Spouse Funds Bypass Trust with \$2,625,000, Surviving Spouse Retains and Invests

### \$2,625,00

<b>Projected Value of Estate Based on 1982-2011 Compound Annual Rate of Growth (10.98%)</b>					
	Projected Home Value	+ Amount Currently Invested*	+ Bypass Trust*	= Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$2,625,000	\$2,625,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$9,984,897	\$9,984,897	\$3,290,232	\$26,389,601
After 30 Years	\$4,897,123	\$37,980,252	\$37,980,252	\$15,805,518	\$96,663,144

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at 1st Spouse's Death	\$2,625,000	\$5,250,000	\$7,875,000
After 15 Years	\$2,625,000	\$8,131,812	\$10,756,812
After 30 Years	\$2,625,000	\$12,595,497	\$15,220,497

<b>Projected Tax Liability after 15 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$9,984,897	\$16,404,704	\$10,756,812	\$5,647,893	\$2,259,157

<b>Projected Tax Liability after 30 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$37,980,252	\$58,682,892	\$15,220,497	\$43,462,395	\$17,384,958

<b>Projected Value of Estate Based on 7% Compound Rate of Return</b>					
	Projected Home Value	+ Amount Currently Invested*	+ Bypass Trust*	= Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$2,625,000	\$2,625,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$5,773,371	\$5,773,371	\$2,343,069	\$17,019,386
After 30 Years	\$4,897,123	\$12,697,831	\$12,697,831	\$7,496,367	\$37,789,152

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at 1st Spouse's Death	\$2,625,000	\$5,250,000	\$7,875,000
After 15 Years	\$2,625,000	\$8,131,812	\$10,756,812
After 30 Years	\$2,625,000	\$12,595,497	\$15,220,497

<b>Projected Tax Liability after 15 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$5,773,371	\$11,246,016	\$10,756,812	\$489,204	\$195,682

<b>Projected Tax Liability after 30 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$12,697,831	\$25,091,321	\$15,220,497	\$9,870,823	\$3,948,329

\*Calculations assume 1.5% per year in investment fees and costs

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## Scenario #3: First Spouse Uses Entire Exclusion to Fund Bypass Trust

<b>Projected Value of Estate Based on 1982-2011 Compound Annual Rate of Growth (10.98%)</b>				
	Projected Home Value	+ Bypass Trust*	+ Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$5,250,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$19,969,793	\$3,290,232	\$26,389,601
After 30 Years	\$4,897,123	\$75,960,503	\$15,805,518	\$96,663,144

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at First Spouse's Death	\$0	\$5,250,000	\$5,250,000
After 15 Years	\$0	\$8,131,812	\$8,131,812
After 30 Years	\$0	\$12,595,497	\$12,595,497

<b>Projected Tax Liability after 15 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$19,969,793	\$6,419,808	\$8,131,812	(\$1,712,004)	\$0

<b>Projected Tax Liability after 30 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Projected Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$75,960,503	\$20,702,641	\$12,595,497	\$8,107,143	\$3,242,857

<b>Projected Value of Estate Based on 7% Compound Rate of Return</b>				
	Projected Home Value	+ Bypass Trust*	+ Additional \$100k Investment Annually*	= Total Combined Assets
Value at First Spouse's Death	\$2,000,000	\$5,250,000	\$0	\$7,250,000
After 15 Years	\$3,129,576	\$11,546,741	\$2,343,069	\$17,019,386
After 30 Years	\$4,897,123	\$25,395,663	\$7,496,367	\$37,789,152

<b>Projected Amount of Estate Tax Exclusion</b>			
	Deceased Spouse's Exclusion	+ Surviving Spouse's Exclusion	= Total Exclusion Available
Exclusion at First Spouse's Death	\$0	\$5,250,000	\$5,250,000
After 15 Years	\$0	\$8,131,812	\$8,131,812
After 30 Years	\$0	\$12,595,497	\$12,595,497

<b>Projected Tax Liability after 15 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Surviving Spouse's Gross Estate	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$11,546,741	\$5,472,645	\$8,131,812	(\$2,659,167)	\$0

<b>Projected Tax Liability after 30 Years</b>				
Amount Passing Outside of Surviving Spouse's Estate	Projected Estate Value	- Projected Exclusion Available	= Taxable Value of Estate	Estate Tax Due at 40%
\$25,395,663	\$12,393,489	\$12,595,497	(\$202,008)	\$0

\*Calculations assume 1.5% per year in investment fees and costs

## Summary of Calculations

### Scenario #1: No Bypass Trust

	At 7% Compound Rate of Return	At 1982-2011 Compound Annual Rate of Growth (10.98%)
Estate Tax Owed in 15 Years	\$1,455,030	\$5,203,116
Estate Tax Owed in 30 Years	\$7,977,462	\$31,527,059

### Scenario #2: Half of Assets (\$2,625,000) Transferred to Bypass Trust

	At 7% Compound Rate of Return	At 1982-2011 Compound Annual Rate of Growth (10.98%)
Estate Tax Owed in 15 Years	\$195,682	\$2,259,157
Estate Tax Owed in 30 Years	\$3,948,329	\$17,384,958

### Scenario #3: All Assets (\$5,250,000) Transferred to Bypass Trust

	At 7% Compound Rate of Return	At 1982-2011 Compound Annual Rate of Growth (10.98%)
Estate Tax Owed in 15 Years	\$0	\$0
Estate Tax Owed in 30 Years	\$0	\$3,242,857