

Sample Irrevocable Life Insurance Trust Forms (And Other Related Items)

§17.1 SAMPLE ILIT FORM¹

Appendix 1 contains a sample form of irrevocable trust designed to hold life insurance on the life of one person, who is married. This form is the sample ILIT that is referenced throughout this book. The trust is drafted on the assumption that the grantor alone will be making contributions to the trust. The sample form contains a contingent Marital Trust that is intended to qualify for the QTIP marital deduction. The Family Trust (also known as a credit shelter trust) contains ascertainable standards, and thus allows the surviving spouse to serve as sole trustee of that trust, upon the insured's death, without adverse estate tax consequences. The Family Trust contains provisions permitting it to be divided into a marital deduction trust for state death tax purposes. Such provisions permit the full use of the deceased grantor's federal estate tax applicable exclusion amount when there is a state

¹ This form is designed to be a supplement to (and not a substitution for) the grantor's primary estate planning document, such as a revocable living trust. This form is not meant to be a pour-over recipient of the grantor's probate estate or the grantor's revocable living trust. Michigan practitioners should note that the form complies with Michigan's Estates and Protected Individuals Code that went into effect on April 1, 2000.