

Swan Songs: Simplifying Spousal Lifetime Access Trusts

Swan Songs is a series designed to explain important estate planning concepts to advisors and their clients in an easily digestible way.

Authors	Date	Topic
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Simplifying Spousal Lifetime Access Trusts

A Spousal Lifetime Access Trust (SLAT) is an estate-planning tool designed to allow grantors to use their lifetime exemption while also providing access to the gifted funds to their spouse, if needed.

SLATs are a popular technique for individuals who anticipate having a federally taxable estate and want to use their unified credit but are reluctant to give up complete access to such a large portion of their wealth. As of 2026, the unified credit is \$15 million per individual, allowing couples to combine their exemptions and shield up to \$30 million from estate and gift taxes. By transferring assets to a SLAT, grantors can take advantage of the current unified credit during life, effectively removing those assets—and any future appreciation on those assets—from their estate, which can help reduce estate taxes upon death.

Since a SLAT is an irrevocable trust, once assets are placed in it, the grantor cannot reclaim them. Also, careful planning is needed to ensure compliance with tax laws and to avoid pitfalls such as the *reciprocal trust doctrine*, where trusts established by both spouses may be disregarded for tax purposes.

When drafted properly, SLATs can be an effective estate-planning strategy for couples looking to provide for each other while also preserving wealth for later generations and potentially minimizing estate taxes.

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