

though the amount would be taxable under State Inheritance taxes or Federal Estate taxes, because of the substantial amount of exemption limits, you might give as much as \$120,000 in insurance benefits to your wife or children without delay and with minimal tax loss.

In Illinois, each heir of a decedent is allowed a certain exemption. Closely related heirs are allowed \$20,000 exemption before taxes are imposed. If \$120,000 in insurance was left to your wife she would actually be taxed on only \$90,000 which under the present tax rate amounts to about a \$4,000 to \$5,000 total taxation. In terms of Federal Estate Taxes, the laws allow a \$60,000 initial exemption and also allow a 50 percent deduction under the marital deduction rule, if the property is left to a wife or spouse without limitation. Insurance qualifies under the particular rule. Since \$60,000 is one-half of \$120,000 and the remainder might qualify under the marital deduction rule there would be no Federal Estate taxes for the \$120,000 amount. This would mean