Allianz

Allianz Life Insurance Company of North America

EXAMPLE FORM

Notice of Withdrawal Rights for an irrevocable life insurance trust (ILIT)

In an irrevocable life insurance trust (ILIT), a notice of withdrawal rights (often referred to as "Crummey notice") is a notification given to beneficiaries informing them of their right to withdraw contributions made to the trust. This notice is used to qualify the contributions for the annual gift tax exclusion, thereby maximizing the tax benefits associated with the trust.

Here's how it typically works:

Contribution to trust: When the grantor makes a contribution to the ILIT, it is intended to pay for life insurance premiums or other trust expenses.

Notice to beneficiaries: The trustee sends a notice to the beneficiaries, informing them of their right to withdraw a portion or all of the contribution for a limited period, usually 30 days.

Withdrawal period: During this period, beneficiaries can choose to withdraw the funds. If they do not exercise this right, the funds remain in the trust and are used according to the trust's terms.

Gift tax exclusion: By providing beneficiaries with this withdrawal right, the contribution qualifies as a present interest gift, allowing it to be excluded from gift tax under the federal annual exclusion, which has historically been, and continues to be, increased for inflation each year.

The following sample document can be shared with your client's attorney to help with their estate planning needs. All legal documents must be prepared by a licensed attorney.

This sample document is intended for general information purposes only; it is not legal advice. It should not be construed as guidance or as a substitute for professional legal, tax, or financial advice.

This tool offers information that is intended to provide an overview of how certain product features could work, based on the selected assumptions. It is not intended to provide a comprehensive overview of all possible benefits, features, and considerations. Clients should be referred to product brochures and marketing materials for detailed information.

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This content does not apply in the state of New York.

AMK-822 (10/2025)

[TRUSTEE NAME]
[ADDRESS]
[CITY, STATE, ZIP]
[TELEPHONE NUMBER]

[DATE OF NOTICE]

[NAME OF BENEFICIARY]
[ADDRESS]
[CITY, STATE, ZIP]

NOTICE OF WITHDRAWAL RIGHTS

Re: The [NAME OF GRANTOR] Irrevocable Life Insurance Trust Agreement

Dear [NAME OF BENEFICIARY]:

You are named as a beneficiary of the [NAME OF GRANTOR] Irrevocable Life Insurance Trust Agreement which was created by your [RELATIONSHIP OF GRANTOR TO BENEFICIARY] on [DATE]. On [DATE], a contribution of [DOLLAR AMOUNT OF CONTRIBUTION] was made to the trust.

Under the terms of the trust, you have a right to withdraw a certain portion of any contribution made to the trust. The amount you may withdraw is subject to certain limits, including a time limit. A copy of the relevant portion of the trust document is attached for your information.

If you desire to exercise your right to withdraw contributions to the trust, please contact the trustee at the address or telephone number provided on this notice.

Dated: _____, 20___ _____

[NAME OF TRUSTEE]

Optional: I acknowledge receipt of the above notice on [DATE].

_____

Signature of Beneficiary

SAMPLE