



WINTER 2026

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federal transfer tax exemptions for 2026

by Anne Marie Robbins, Esq.

As a result of the 2025 tax legislation passed in July of last year, there has been a significant increase in the estate, gift, and generation-skipping transfer tax exemptions to \$15 million effective January 1.

The increase means that in 2026, an individual may make gifts during life or at death totaling \$15 million without incurring gift or estate tax, and a married couple will be able to transfer \$30 million of assets free of transfer taxes.

The annual gift tax exclusion provided by Code section 2503 remains at \$19,000 per donee (or \$38,000 if spouses elect gift-splitting).

The gift tax annual exclusion for gifts to non-citizen spouses as set forth in Code sections 2503 and 2523(i)(2) has increased to \$194,000.

The increase in the 2026 exemptions mean that

a taxpayer who had fully used his or her Basic Exclusion Amount (“BEA”) to shelter lifetime gifts will be able to give an additional amount this year free from transfer taxes.

Those who have made large gifts to irrevocable trusts or outright to descendants should consider additional gifts in 2026 to take advantage of the increases in the BEA and the generation-skipping transfer tax exemptions. We recommend consulting your estate planning attorney about strategies that will secure the benefit of the larger estate, gift and generation-skipping transfer tax exemptions.

timely mailing may not be timely filing

change to U.S. Postal Service rules

by Anne Marie Robbins, Esq.

On November 24, 2025, the U.S. Postal Service (“USPS”) finalized a rule regarding when and how postmarks are applied. *See* 39 C.F.R. § 111 (2025). It is important for taxpayers and their advisors to be aware of the change because it has an impact on proving that a document was filed. While the rule does not change how mail is processed, it does change how postmarks should be understood, especially when deadlines matter.

What Changed?

While postmarks have long been relied upon as evidence that a document was mailed on a certain date, the new rule makes clear that this assumption is not always accurate. In most cases, postmarks are applied by automated machines at regional processing facilities, and not at the local post office where a piece of mail is dropped off. As a result, the date printed on a postmark may reflect the date the piece was first processed—not the date it was actually placed in the mail or collected by the USPS.

The rule also clarifies that only a manual, local postmark—which may be requested at the retail counter of a post office—reflects the actual date USPS accepted the item for mailing. When definitive proof of mailing on a specific date is needed, USPS advises using services such as Certified Mail or Registered Mail.

Why This Matters

Many tax-related actions depend on strict deadlines or proof of timely compliance. Common examples include the filing of Federal Estate Tax returns and New Jersey Inheritance Tax returns, federal and state income tax returns, elections made after a death for tax purposes, and deadline-driven correspondence with courts and beneficiaries. It had long been the case that postmarks on tax returns constituted proof of mailing on the date of the postmark. Indeed, this rule is set forth in the Internal Revenue Code, I.R.C. § 7502. Now, however, the postmark no longer provides reliable proof of compliance with a filing deadline.

Practical Guidance

Taxpayers should not rely on automated postmarks to prove the filing of time-sensitive documents. When mailing documents close to a deadline, request a manual, local postmark at the post office counter or use Certified Mail, Registered Mail, or a Certificate of Mailing to create a clear record. Whenever possible, send critical documents well in advance of deadlines. In some cases, hand delivery, private courier services such as Federal Express or UPS, or electronic filing when permitted, may be a safer option.

estate planning after divorce

revisit your beneficiary designations or your estate could pay the consequences

by Elizabeth E. Manzo, Esq. & Meghan Lawlor, Esq.

Many people direct the disposition of their bank accounts, investments, retirement accounts and life insurance upon their death by designating beneficiaries of those assets. When an asset passes by beneficiary designation, otherwise called a pay-on-death provision, it becomes a non-probate asset and therefore passes outside of a person's probate estate.

In New Jersey, New York, and Pennsylvania, among other states, a divorce automatically revokes any provisions in a will which benefit a former spouse, unless the will expressly states otherwise. Similarly, New Jersey statute 3B:3-14 provides that a divorce revokes any revocable appointment directing the disposition of property – such as a beneficiary designation – to a former spouse unless the governing instrument, court order, or divorce agreement dividing marital assets expressly states otherwise.

This year, the New Jersey Supreme Court considered whether a decedent's pay-on-death provision on his U.S. savings bonds survived his divorce and satisfied the terms of his divorce settlement agreement ("DSA"). The decedent, Michael Jones ("Michael"), bought Series EE U.S. savings bonds while married to Jeanine Jones ("Jeanine") and named her as the pay-on-death beneficiary of the bonds. When Michael and Jeanine divorced in 2018, the DSA required Michael to pay Jeanine \$200,000 over time and also stated that any marital asset not specifically listed in the DSA "belong[ed] to the party who ha[d] it currently in their possession." The DSA did not explicitly mention the savings bonds.

Michael died in 2019 and, at that time, had only paid Jeanine \$110,000 of the required \$200,000. When he died, Jeanine redeemed the savings bonds for approximately \$77,800. Michael's daughter, acting as administrator of his estate, asserted that the value of the savings bonds should go towards the \$90,000 Michael still owed Jeanine when he died.

The New Jersey Supreme Court held that the bonds' pay-on-death designations were "governing instruments" and relevant federal

rules prevented their automatic revocation of a pay-on-death provision following a divorce. The Court further held that NJSA 3B:3-14 incorporated and followed those federal regulations and, going one step further, held that the terms of the DSA required that the bonds passed to Jeanine as their sole owner after Michael's death. The Estate was therefore responsible for paying Jeanine the money Michael still owed her under the DSA when he

died. Under the Court's interpretation of the statute and the DSA, Jeanine got to have her cake and eat it, too.

This case illustrates the complexities and undesired outcomes that can arise if you do not periodically revisit your estate plan, including all of your pay-on-death provisions. Our knowledgeable and capable estate planning attorneys can assist in ensuring your assets pass exactly as you intend.



For more detailed assistance with estate planning needs, [please visit lindabury.com](https://www.lindabury.com)

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