

“Estate planning – more than just a will”

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Get personalised advice.

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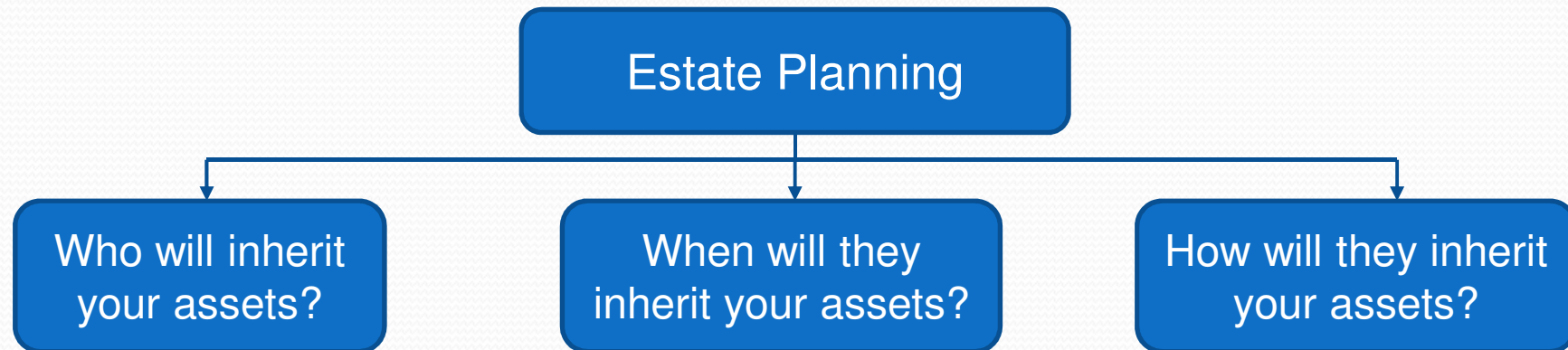


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Estate Planning

Estate planning involves the organisation of a person's financial affairs in anticipation of death, in order to ensure that your assets are distributed to your intended beneficiaries in an orderly and tax effective manner.

What to consider with estate planning?



Estate assets vs. non estate assets

Does the manner in which your assets will be distributed under your current arrangements match your intentions?

Age or Conditions?

Under what circumstances do you want your assets to be distributed, and when don't you want them distributed

Structure

How are you going to structure your estate to ensure as much of it as possible reaches your intended beneficiaries, with the least amount lost to costs, taxes and potential claims by unintended beneficiaries?

Right money, right hands, right time

Your estate planning process may involve:

- Wills
- Powers of attorney
- Insurance (key man, life, disability)
- Succession planning (business and other structures)
- Ownership (single, joint, tenants-in-common, structure)
- Nomination of beneficiaries

Key features of a good estate plan

- Flexibility
- Control
- Access to capital
- Asset protection
- Tax (and possibly Social Security) effectiveness

7 Steps to an effective estate plan

- Step 1 ➡ Identify and prioritise the your objectives and concerns (who benefits, in what order of priority)
- Step 2 ➡ Assess the current and likely future circumstances of yourself and your intended beneficiaries
- Step 3 ➡ Ascertain adequacy of short and long term funding for achieving objectives
- Step 4 ➡ Assess options and identify impediments
- Step 5 ➡ The strategy – formulate the estate plan
- Step 6 ➡ Implementing the estate plan
- Step 7 ➡ Ongoing review

Estate vs. non-estate assets

Estate assets include

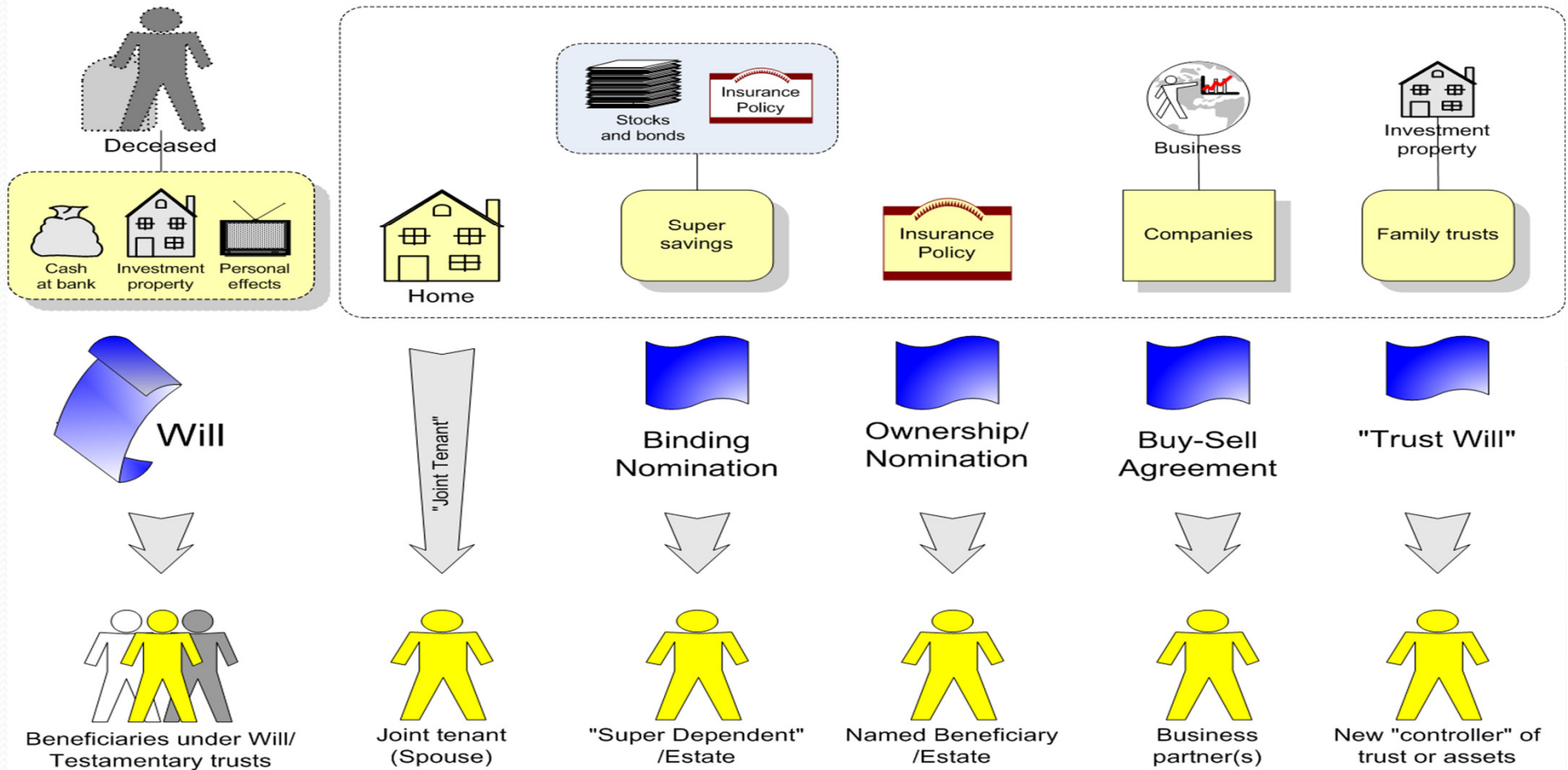
- Assets you own personally (including your shares in a company)
- Self owned life insurance policies
- Joint assets held as tenants is common
- Superannuation paid by the super fund to your estate

Non-estate assets include

- Assets owned by a company
- Assets held in a family trust
- Joint assets held as joint tenants
- Superannuation paid by the fund directly to an eligible beneficiary

Personal Estate

Notional Estate Elements



Wills

A will is a legal document

- Deals with estate assets
- Appoints executor(s)
- Appoints guardian(s)
- Appoints trustee(s)

If you pass away without a valid will, this is known as 'dying intestate' and your assets will be divided up as per a state based formula

Power of attorney

- A power of attorney is a legal document which allows you (the principle) to appoint a person to make financial decisions on your behalf (the attorney)
- The attorney can make decisions about your property and financial affairs, however cannot make medical or lifestyle decisions
- A 'general' power of attorney ceases to have effect if the principle loses mental capacity. An 'enduring' power of attorney continues even if the principle loses mental capacity

Enduring Guardianship

- Enduring guardian has the power to make lifestyle and personal & medical decisions on the principal's behalf (E.g. where the principal should live and the level of health care the principal should receive)
- The principal decides what functions the enduring guardian will be able to make.
- A guardian is not permitted to exercise the following functions:
 - Unlawful Acts
 - Make a Will
 - Vote on behalf of the principal
 - Consent to marriage
 - Manage finances
 - Overrule any objections made by the principal regarding medical treatment

Testamentary trusts

Trust established under a Will

Operates upon the will of death of the Will maker

Can have more than one testamentary trust

Considerations:

- Size of estate
- Protection needs (and from whom)
- Beneficiary's personal needs

In conclusion

- Remember estate planning is not just about what happens on death, by then it's too late to change things
- Estate planning is also about the right ownership of assets today
- It's also about ensuring you have sufficient wealth available to look after your loved ones in the way you want
- Estate planning is the fundamental principal about financial planning
 - Achieving goals and objectives
 - Maximising wealth
 - Having the right level of control
 - Enjoying the benefits of your wealth at the right time
 - Passing your wealth to the right people at the right time
 - Protecting your wealth

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