

A step by step guide to planning your estate

An estate plan is so much more than a Will. It includes all of the advice and flexible legal documents you need to enjoy the peace of mind that comes with knowing that your interests are protected, and that your wealth will pass to your loved ones.

The steps to getting started



Review your superannuation beneficiaries and life insurances



Review your assets and liabilities



Think about who you would like your assets to go to



Do you have any beneficiaries with special needs?



Are you about to get married, divorced or have kids?



Do any of your beneficiaries have high risk jobs?



Are you concerned about your child's spouse?

What is an Estate Plan?

An Estate Plan is getting peace of mind that the wealth that you have accumulated during your life passes in accordance with your legacy goals.

Planning for the distribution of your estate is a complex but necessary component of your overall financial wellbeing. It requires much more than just preparing a will. A well-structured Will and estate plan that is tailored to your individual needs will protect your assets and legal interests so that your beneficiaries can enjoy the full benefits of your estate as you have envisioned and intended.

While you cannot predict the future, taking the initiative to plan for unexpected circumstances now will preserve the future financial and personal security of the people you care about.

It's all about getting certainty that your wishes are fulfilled and can be in the form of a will, a power of attorney and superannuation nominations.

- Review your will
- Granting a Power of Attorney
- Selecting an Executor
- Giving Guardianship
- Considering the option of a Family Trust
- Protecting what you have
- Selecting a Beneficiary



Case Study

Mr & Mrs Smith are married and in their late 30s. They have one child, Sam, who is 2 years old.

They jointly own their house worth \$1,400,000 with a \$1,100,000 mortgage. They have similar super balances that have a combined value of \$280,000 and each have life insurance of \$1,000,000 to ensure their mortgages get paid out and provide for future education costs for Sam. They also have cash worth \$50,000, with some in their offset and individual accounts.

Neither has been married before and they have no children from other relationships.

They have no Will in place, but understand that by jointly owning their house if anything happens ownership of their home will go to the surviving partner. Having listed each other as beneficiaries of the Life insurance held within their superannuation, they know they have provided for each other to pay out their mortgage and have some additional funds to provide for the future.

We talk the client through the benefits of a Will with tax effective Testamentary Trusts to meet their goals. During the discussions we help them also identify that they would like to ensure that the surviving partner and Sam are protected in the event that one of them meets someone new and enters into a relationship. In this eventuality, they would like to protect the assets they entered into the relationship with from future de facto partners or spouses and ensure that Sam's inheritance is not diluted. They wish to put plans in place to protect Sam in the event of a tragedy and they both die while Sam is a minor.

We help Mr and Mrs Smith create a mutual Will which will include Testamentary Trusts, Medical and Financial Powers of Attorney including appointing a Guardian to look after Sam in the event that they both die and trustee to look after the estate assets until Sam reaches maturity. Mr and Mrs Smith transferred the ownership of their home from 'Joint Ownership' to 'Tenants in Common' and changed the beneficiaries of their Superannuation and Life insurance inside their super from each other to their 'Legal Representative' (Estate) once they had their Wills formalised.

Top 8 Estate Planning Mistakes

- 1 Forgetting to develop a suitable strategy for the family home
- 2 Forgetting about powers of attorney
- 3 Ignoring assets held overseas
- 4 Thinking that testamentary trusts are only for complex situations or high net wealth individuals
- 5 Waiting to complete a comprehensive estate plan until after marriage or a divorce is finalised
- 6 Assuming the Will can gift assets held in trusts and companies
- 7 Assuming the estate plan can be “set and forget”
- 8 Defaulting binding death benefit nominations to the surviving spouse without considering the superannuation strategy

Questions you might want to ask

- Do you have an effective, flexible and current Will?
- Do you have Enduring Powers of Attorney and Guardianship?
- Do you have beneficiaries with special needs?
- Will there be enough money to satisfy your family’s needs in the future?
- Have you considered any tax or other implications of your estate planning arrangements?
- Do you believe you may require the creation of more complex trusts within this will?



Do you have a current Will?

In a study prepared by Charles Stuart University and the University of Adelaide who surveyed 1000 Australians adults into their engagement with and understanding of estate planning issues.

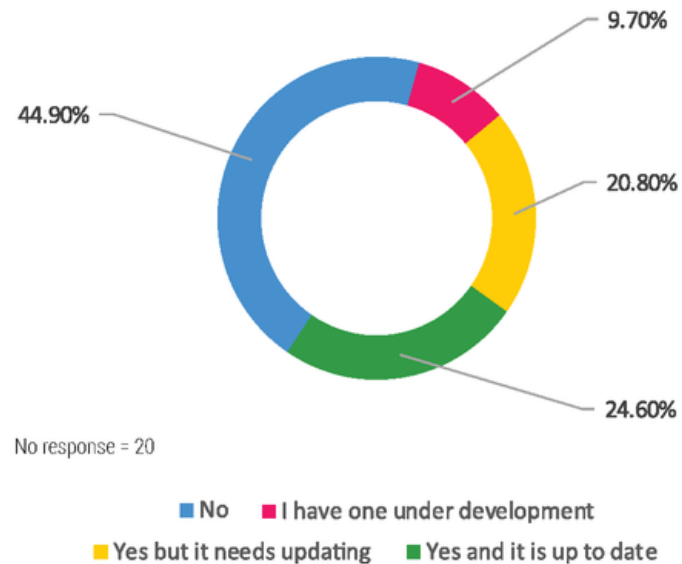


fig. 01 / Do you have a current up-to-date will?

Figure 1 shows that only 45.40 per cent of those surveyed (465 of the 1,012 responses received) have a current will, but almost half of those acknowledge that it needs updating 213 of the 465 individuals. Almost 10 per cent indicated that have a will under development. What is concerning is that 44.90 per cent have no will at all.





Have you formally nominated substitute guardians?

With regard to those who have a will and have children under the age of 18, Figure 4 reports only 39.10% have nominated guardians in their will; conversely 60.90% have not which represents a real concern as they are placing such children at risk of family disputes, the financial cost and disruption of court cases and possibly foster care.

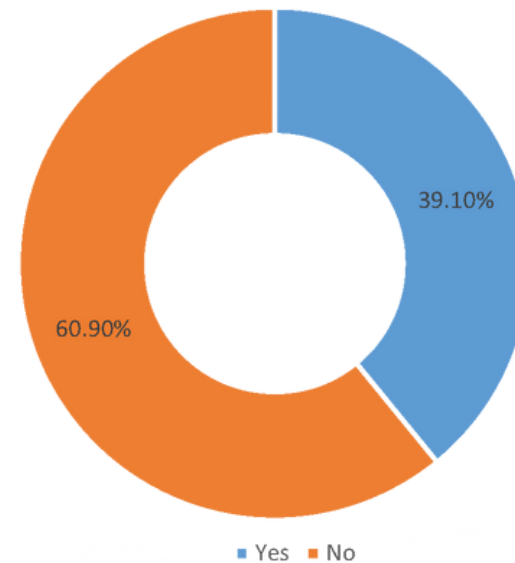


fig. 04 / If you have a will and children under 18 years of age have you formally nominated substitute guardians?

Have you appointed an Attorney or Guardian?

Have you considered what would happen to your family or business if you become sick, injured or unable to control your investments or your business? Have you put in place strategies to ensure your interest for your family and loved ones are protected?

It is important that you legally appoint a Guardian with the right capabilities to care for your minor children or an Attorney to manage your personal and business affairs.

Keeping your Will up to date

Your Will reflects your life intentions and personal circumstances. When you experience any significant life changes, it is important to update your Will and estate plan to ensure your testamentary intentions are accurately reflected so that your executors have a clear indication of your circumstances at the time of your death.

Regularly reviewing your estate plan with trusted advisers whom you have an ongoing relationship with is paramount.

We offer ongoing professional reviews of your Will and estate plan that will identify the complexities in your estate. We also advise you of the issues you should address and provide you with strategies to assist you in accumulating wealth and properly managing your estate.

If you would like to know more about estate planning please contact us today
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