

A photograph of a man and a woman sitting on a light-colored couch, looking at a laptop screen. The woman is on the left, wearing a light blue denim shirt, and the man is on the right, wearing a plaid shirt. The laptop is open in front of them, and the background is a blurred brick wall.

Estate Planning



Hywood Partners

Estate Planning

Another area we spend significant time working with clients is Estate Planning.

People's finances are becoming more complicated than ever. Family trusts, Self-Managed Superannuation Funds, Negatively Geared property portfolios, Business interests, Share Portfolios, the list goes on.

Making sure these assets pass to the right people and minimising possible tax implications is what Estate Planning is all about.

One of the big issues with Estate Planning is determining which assets form part of a client's Estate and thus are dealt with by his/her Will.

Common examples of assets they may not necessarily be dealt with under a Will are:

- Family home, owned jointly (as joint tenants)
- Superannuation
- Joint bank accounts
- Assets owned via Trusts or Company structures

Once it is established exactly which assets are to be dealt with by the Will, clarity can be found in exactly how a client wishes these assets to be distributed.

It is also very important at this point to consider the assets not dealt with by a clients Will. Passing of control of the

structures through which such assets are held (i.e. Companies, Trusts, Self-Managed Super, etc.) is also vitally important. A well drafted Estate Plan deals with these issues.

Another area to consider is who to appoint as your Executor. The Executor's role is a crucial one and careful consideration needs to be given as to whom to appoint to this role. The Executor's role can include:

- Selling Assets required to be converted to cash
- Obtaining a Grant of Probate
- Maintaining proper tax and accounting records
- Distribution of specific bequests
- Defending, or if necessary settling, legal claims against the Estate.

In many cases multiple Executors are appointed to provide for unforeseen events that may happen in the future.

A conversation we have with many clients now is whether to include a Testamentary Discretionary Trust with your Will.

A Testamentary Discretionary Trust can provide protection for your assets and possibly tax benefits. The trust comes into effect when you pass away, but is established within your Will as part of your Estate Plan.

A Testamentary Discretionary Trust can protect your assets if your beneficiaries are:

- At risk of bankruptcy
- At risk of their marriage or relationship breaking down
- Suffering mental health issues
- Disabled or have special needs
- On a low income
- Minors

The crucial aspect for Estate Planning is to make sure it continues to reflect your wishes. Peoples circumstances change and it's very important that a Will is reviewed regularly (every couple of years at least) and not just left to gather dust in the filing cabinet.

Quality financial advice in this area is crucial to protect a person's wealth and make sure it passes to the right people, in the right way and with any risks or taxes mitigated and minimised.

Work hard. Play hard. Plan hard.

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Disclaimer:

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