



RetireLaw

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Experts in the protection of inheritances from:

- Unnecessary Taxes
- Divorce Settlements
- Creditors and Bankruptcy
- Litigation and Disputes
- High Estate Administration Costs

Experts in the protection of:

- Business Assets via Safety Net Provisions

Experts in protection provisions for:

- Superannuation
- Child or Vulnerable Beneficiaries
- Inheritance Equality
- Assets in Trusts
- Life Insurance Payouts

5 BIG Mistakes

...most people make when considering what they want to happen with their assets on their death

MISTAKE NO 1

Most people think that all they have to do is to sign a simple Will. They wrongly assume that their simple 2-3 page Will prepared by a non-expert in estate planning automatically controls the distribution of all their wealth on their death.

Unfortunately most simple Wills only deal with assets that you actually **own**, such as your home or cash, and have no bearing on the assets you **control**, such as your superannuation, assets held in trusts, assets held in private companies, life insurance proceeds or business partnership property. Even the family home can remain at risk. For example, should your home be held as 'joint tenants' rather than 'tenants in common', on your death your interest in the property automatically goes to the surviving tenants, irrespective of what you have said in your simple Will.

MISTAKE NO 2

People think that there are no death duties anymore and that their estate will not be subject to tax.

Death duties were abolished in 1981 – Capital Gains Tax was introduced in 1985. Today Capital Gains Tax raised on the disposal of assets in deceased estates raises many times the amount that was collected under death duties. The reason for this is quite simple. The sale of estate assets almost invariably attracts Capital Gains Tax (up to 48.5% of the gain) whereas death duties were capped at 15%. Also, if your superannuation is being directed to someone other than a spouse or dependant then prepare yourself for a tax shock – up to 30% of your superannuation death benefits could be lost to tax.

MISTAKE NO 3

People think that all lawyers are experts in estate planning.

This couldn't be further from the truth. Getting your estate planning affairs in order is so much more than just getting a Will signed.

Only after all of the following steps are completed can you be assured that your Will and other estate documentation will do what you want them to do effectively:

- your asset position needs to be carefully researched to ensure your wishes can be met,
- your superannuation fund trust deed needs to be examined and consideration given to ensure the right people benefit,
- your insurance arrangements need to be looked at to ensure that policy ownership is held in the most appropriate way,
- any tax structures holding your wealth needs to be examined and the terms of trust deeds scrutinized and perhaps amended to ensure that all of these documents are in harmony with your requirements,
- the taxation circumstances, Centrelink entitlements and asset protection needs of your beneficiaries needs to be professionally considered.

MISTAKE NO 4

People think that once their Will is done they can forget about it.

It has been said that the only certainties in life are Death and Taxes. Our experience suggests that a third certainty exists for us all and that is – change.

It is important that your estate planning affairs be reviewed professionally on a regular basis. Every purchase or sale of an asset will have 'estate planning' ramifications, every change in tax laws could have an effect on your estate planning taxation strategies and so on.

For these and many other reasons change can undermine even the best laid plans unless a review process is put in place!

MISTAKE NO 5

The worst mistake is to think that it can wait!

The best time to get your estate planning affairs in good order is now!

THE **BIG** QUESTION

The great misconception is that you need to be wealthy and have complex lives for Estate Planning to be worth doing. In reality, the benefits of Estate Planning are just as relevant to families with simple lives and few assets as they are to families with complex lives and many assets. In fact, the truth comes down to **ONE BIG QUESTION**:

Do you want your children (or other chosen beneficiaries) to receive their inheritances, no matter how big or small, in the most protected and financially maximised way?

Or more specifically one might ask:

- Do you want inheritances protected from your children's divorce settlements?
- Do you want inheritances securely protected from disputes and litigation?
- Do you want inheritances protected from unnecessary taxes?
- Do you want beneficiaries to benefit from the significant tax advantages applied to income distribution to grandchildren or other minors from testamentary trusts?
- Do you want inheritances protected from debts related to addictions, business failure or bankruptcy that might affect your beneficiaries?
- Do you want to ensure that your children or grandchildren do not receive their inheritance when they are only 18 years old?
- Do you want special provisions included to protect child or vulnerable beneficiaries?
- Do you want protections provisions for your superannuation, company shares or money in trusts?
- Do you want your children (or other chosen beneficiaries) protected from high estate distribution and administration costs?
- Do you personally want to be protected should you, during your lifetime, suffer an illness or accident that precludes you from managing you personal or financial affairs yourself?

CONTACT RETIRELAW TODAY - all initial meetings are completely obligation free.

Call solicitors **Terry Purcell** or **Dawn Wong** 1300 584 782 or (02) 8908 9700 Email info@retirelaw.com.au

Drop In Level 2, 77 Pacific Highway North Sydney NSW 2026

Or visit the website below to watch '**The Convenient Truth**', the true story about why the era of simple Wills is over!

www.modernestateplanning.com.au

To view the presentation you need to enter the following username: **guest** and password: **retirelaw** when prompted.