

Quarterly Newsletter – April 2014

Estate Planning

It is estimated that 45% of Australians die without an estate plan. Do not be one of them.

An Estate Plan is a plan you have in place to manage and distribute your assets in the event of your death and incapacitation. It is a holistic approach to ensuring that the assets you have been building over your working life are not left to the discretion of the law. An estate plan can also ensure that the right people are appointed in the event of your death and/or incapacitation to protect your personal wishes.

The key documents to an effective estate plan include:

1. **A Will**
2. **Your Superannuation**
3. **Testamentary Trust**
4. **Powers of Attorney**
5. **Legal and Financial Housekeeping.**

You will find more information on each of these elements below.

If you would like to discuss any matters relating to these newsletters or require specific advice on any of the above, then please contact myself or Daniel on (03) 8825 5500 or via email adviser@chartertowers.com.au

Sincerely,



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Estate Planning

1. A Will

Your Will is document that directs how your estate is to be distributed amongst your nominated beneficiaries. It can outline who you wish to look after your young children, any trusts you wish to establish and if you would like to donate to charities, it can even have instructions about your funeral.

A solicitor can help you write up a Will or you can buy a Will Kit from Australia Post. If you choose to purchase a Will Kit please have it reviewed by a solicitor to ensure it is binding.

If you die without a valid Will, the law of intestacy decides who gets your assets. These rules apply to everyone and do not take into account your wishes or situation.

Most people believe that their Will covers all their assets, this is not that case. A Will does not take into account your superannuation or super- based insurance benefits. This is why an estate plan is important.

2. Your Superannuation

Your Superannuation is an asset that is excluded from your Will. Your superannuation benefit is distributed in accordance to the Trust Deed by the Superannuation Trustee. The Superannuation Trustee generally offers you the option of nominating a beneficiary to receive your superannuation benefit in the event of your death.

Your Superannuation (not Taxation – there is a difference) dependants are: Your spouse, your child, a person with whom you have an interdependency relationship with, and finally, a personal who is financially dependent on you.

In order to communicate your nominated beneficiaries to the Superannuation Trustee you must provide 'A Binding Death Nomination' or 'Non-Binding Death Nomination' form. One way to do this is by completing a Nomination of Beneficiaries form or similar depending on whom the Superannuation Trustee is.

The nomination is able to be amended, or cancelled at any time via written declaration addressed to the Superannuation Trustee.

If you die without having a nominated beneficiary listed on your Superannuation account, depending on the product, the trustee will either pay your death benefit to your estate or it may use its discretion to determine the beneficiaries.

3. Testamentary Trust

A Testamentary Trust is a Trust created pursuant to your Will.

There are several significant advantages in instructing to establish a Testamentary Trust.

It may assist to distribute your estate to your beneficiaries in a more tax effective manner, it may reduce the likelihood of a successful challenge to your Will and it provides possible protection of your beneficiaries in the event of a divorce or any other legal claims.

4. Powers of Attorney

There are four types of Powers of Attorney, each serve a difference purpose; three enduring and one general. Please note that different states have different laws when it comes to Power of Attorney and you will need to consider this when appointing someone.

A General Power of Attorney is a legal document that allows you to appoint someone to make financial or legal decisions on your behalf, in your absence.

Enduring Powers of Attorney are legal documents that allow you to appoint someone who can make your decisions for you in the event that you become incapacitated and/or are unable to make decisions for yourself.

If you become incapacitated without a power of attorney the decisions about your financial and medical management are made according to the law.

5. Legal and Financial Housekeeping.

This is probably the most important element of your Estate Plan as it will ensure that all the above legal documents are in order.

You will need to consult your solicitor at some stage to review your Estate Plan, however, it is your responsibility to take the initiative and do so.

We can help you with the organisation of the documents, providing you with further information and keep the key documents of your estate plan on file.

This brings me to my last point; once your Estate Plan is in place, please keep it in a known safe place with your Will and Power of Attorney.