

Are your estate affairs in order?

Completing a thorough estate planning review is crucial for your peace of mind as well as the comfort and wellbeing of loved ones. It is also much more than just making a Will. Depending on your current financial and family situation, you might also need to review your superannuation nominations, discretionary trust deeds, any company documentation and powers of attorney.

Death is not something we like to think about but a little planning can save a lot of heartache for loved ones left behind. Here are some important areas to consider with examples and possible solutions.

Allocation of your superannuation

In most super funds, the trustee decides who gets your superannuation when you die. Legislation requires the fund to pay your dependants or your estate.

Example

Mary, a divorcee wants to leave money to her children from a first marriage but not to her ex-spouse. She cannot be sure that the trustees of her superannuation fund will not apportion part of her superannuation death benefit to her former partner.

Possible solution

Most superannuation funds allow you to make a Binding Death Benefit Nomination that will provide directions to the superannuation fund trustee as to how your death benefit is to be paid. This ensures your super is paid in line with your wishes. Talk to your financial adviser to ensure your superannuation benefit nominations are in order.

Providing money for your dependants quickly

Upon death, your Will needs to be located and, depending on your assets, may need to be proven by the courts in a process called 'obtaining probate'. This process can take many weeks and in the meantime, your estate assets may be frozen.

Example

David, the principal income-earner dies. David's family know that he has recently created a Will, however, they are unable to find it and other documents that are needed for both the funeral and to produce for the courts. This is a common situation that causes great distress. In addition, an estranged child challenges the contents of the Will and delays distribution of assets. In the short term, the surviving spouse may have insufficient money to live on, as well as a high level of stress at a time when they are least able to cope with it.

Possible solution

Ensure you have all the necessary records in a safe place. Always tell the executor of your estate where to find this information in the event of your death. To ensure your spouse is protected, it may be beneficial to hold some funds in joint names with your spouse that can be accessed quickly if you were to die suddenly.

Has something in your life changed recently?

Regularly reviewing and updating your Will will help to reduce or even eliminate problems that may arise as a result of changes to your personal circumstances which can affect your Will and even invalidate it.

There are many events that can trigger a need to review your Will, such as:

- marriage – which may revoke your current Will
- divorce – which does not revoke your current Will but does revoke any gifts made under a Will to the ex-spouse
- a change in the family, such as birth, death and marriage
- a change in a relationship, such as children entering or leaving de-facto arrangements
- the death of a person who plays a key role in the estate plan such as an executor or trustee.

Taxation and superannuation legislation is complex. Professional advice can help ensure your beneficiaries receive their entitlements in the most tax-effective manner.

An estate planning specialist can help you minimise the stress on your family and ensure your estate and wishes are well protected.

Please [Contact us](#) at Boston Financial Planning to make an appointment to discuss your financial situation and to determine whether we can help you!