

# When uncertain times cause pause for reflection: a guide to estate planning

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At a time when we are all facing a great deal of uncertainty, everything that is important has become very clear. You may find yourself asking:

- What is it that I treasure most in life?
- How can I protect myself and my loved ones?

The decisions that we make in these difficult times tell us a lot about what's in our hearts. We're seeing a growing number of enquiries from clients about how to protect what they care about most – including their family and legacy.

In this article, we talk to Chantelle Georgy, National Manager, Estate Planning – Perpetual Private about how you can protect your legacy and distribute your wealth to the people and

causes closest to your heart.

## **Q: Why is it important to think about estate planning?**

Estate planning has come into greater focus through the recent uncertainty. This thinking often involves much more than just a simple Will; it extends to the legal, accounting, taxation and investment issues involved in protecting and growing wealth so it benefits the people you care for when you are no longer around.

Seeking advice from a financial adviser or accountant is a crucial step in developing an estate plan that covers all the bases – superannuation, trust structures, asset protection, business succession planning, charitable bequests and powers of attorney.

It is important to ensure that your assets are protected, the tax payable is minimised and the right ownership and control of your assets pass to your intended beneficiaries. At the end of the day, it will be your nearest and dearest who will inherit the outcome of your careful planning.

## **Q: What's the biggest misconception when it comes to estate planning?**

There is a misconception that estate planning or preparing a Will necessarily involves a conversation about death. That's probably the reason why most people keep it on the backburner, or only review their Wills when prompted through a life event that highlights their mortality.

The reality is very different. To achieve the best estate planning outcome there needs to be a connection between the values and priorities that an individual has lived by, and the way those transition through a Will. Most people are usually surprised by the positivity of the conversation and the deep dive into things that are closest to their hearts.

## **Q: How are you managing the estate planning process with your clients?**

My observation is that the current uncertain environment has motivated people to prioritise their estate planning in two general respects:

Clients who have either directly or indirectly seen the health impacts of the coronavirus (COVID 19) and are appreciating the need to get their personal affairs in order while they are healthy and have the opportunity; and

Some clients are spending more time with their families and are using the downtime to plan for the future of their loved ones.

Estate planning has been categorised as a critical service at Perpetual – this means the team has access to the office to meet with clients for urgent client matters. Given the shift to a remote operating environment, our in-house team of estate planning lawyers have also adapted processes to provide virtual assistance wherever possible. This includes:

- video calls with new clients to discuss their personal circumstances so we can still tailor a solution for them;
- shifting to digital forms and paperwork;
- remotely witnessing documents where possible and permitted by State legislation; and
- elevated security and identification controls.

Above all, we are making ourselves available and flexible to meet the different needs of our clients during this time.

## **Q: What are some key things to consider when transferring wealth or distributing assets among the family?**

Developing and maintaining a Will is certainly a good place to start. This will help ensure that your assets are distributed according to your wishes; and inform how your children (if they are under 18) are cared for and supported.

A discussion around your key assets and how they'll be managed is also a good idea; for example considering whether to sell or keep the family home, how to give back to the community in a tax-effective way or, developing a business succession plan to help protect your interests and assist in a smooth transition if you own a business. Understanding the various tax implications and structuring your affairs accordingly is also a major part of the estate planning conversation.

Depending on your situation, involving your family in these discussions can be beneficial to manage expectations and help ensure they understand the mechanics in place and why particular decisions and provisions have been made. This should minimise any disputes or legal challenges in the future.

## **Q: What's a power of attorney?**

In the event of ill health or incapacity, you can allow someone else to make lifestyle and financial decisions on your behalf – for a set period of time or indefinitely. This is achieved with a power

of attorney. An 'enduring power of attorney' allows the person (or trustee) nominated to continue to make decisions on your behalf even after you lose capacity.

If you've nominated a power of attorney, it's important that your family are aware of your wishes and the decisions they may need to be make on your behalf.

## **Q: Are you seeing any emerging trends when it comes to estate planning?**

Yes. Several of our advisers have noticed that their clients are bringing their adult children or grandchildren along to their annual review meetings. Often this is to discuss family succession and the need to develop an estate plan for their family should the unexpected happen.

Some people worry that their loved ones will be left without adequate means to survive, while others may be concerned that their family members lack the necessary skills to manage their inheritance.

## **Q: What's the most rewarding and challenging part of your role?**

I find it very rewarding to be trusted by my clients and to experience the different ways people embrace their vulnerability when they work with me. Many people approach the first meeting feeling quite anxious about the unknown and dreading the nature of the conversation. Often, I am brought in to the deepest confidences of family dynamics, which can be very emotional. Most people have a strong desire to be understood and valued, and that's one of the unexpected outcomes of our meeting.

A challenging aspect of my role is managing expectations that clients have about what they want to achieve through their estate plan, and particularly who they want to exclude. My role is to remain as objective as possible and educate my clients on the potential consequences of their decisions. It's their loved ones who will bear the cost and burden of a dispute, so it's important that we at least try to reduce that likelihood.

## **Q: Any advice for anyone thinking about their Will or estate plan?**

There are some key things you need to consider including:

- who will inherit which assets and in what proportions?;
- whether you have accumulated enough assets to provide for your family and pay off debts;
- nominating someone to manage your affairs for you if you're injured or sick and unable to control your investments; or

- If you're a business owner, planning for exit strategies and/or the future of your business.

Importantly, estate planning is a vital part of your overall financial plan and should be reviewed on a regular basis. Any change in your personal circumstances or a significant life event such as starting a new job, getting married, separated or divorced, having children or retiring should prompt you to review your estate planning needs and objectives.

## Take your first step - contact us on 1800 631 381

Or please submit the form below and a specialist adviser will contact you.

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