



**MODORAS**  
Financial Performance Solutions

# Estate Planning

## The Basic Essentials

Death is not something we like to think about, but a bit of pre-planning can save a lot of heartache for those we leave behind.

What control do you have over your assets when you pass?

It's an interesting thought that most people don't like to dwell on, however, with more wealth being created through superannuation funds, it's a thought that will require action at some stage - and the sooner the better.

It is often said that death is final. However, a grieving family knows only too well that the death of a loved one can trigger events that may drag on for years afterwards, especially when it comes to sorting out the estate of the deceased person.

Outlined below are some suggestions that may help reduce the burden on those you leave behind.

### Prepare a Will

A properly prepared Will is one of the crucial elements of your estate planning. Your Will should not only state how your assets are to be divided, it should also nominate an individual (the executor) who will be responsible for carrying out your wishes. When preparing a Will it is important that you make adequate provision for your dependents, and document the reasons for your decisions to help minimise the risk of your Will being contested.

### Consider an advanced health directive

Advanced health directives are another important tool in the estate planning toolkit as they enable you to give detailed instructions in relation to your health care, including decisions on any treatment you wish to receive or refuse if you are incapable of communicating those instructions.

### Establish a Power of Attorney

Whilst a Will deals with your estate upon your death, Powers of Attorney are designed to deal with your affairs while you are still alive. Powers of Attorney enable you to appoint an individual to deal with your affairs if you become incapable of making your own decisions. Powers of Attorney can be as wide ranging or as limited as you require or desire.

### Appoint a guardian for children

If you have young children, make sure you appoint a guardian to care for them. In doing so, you can provide that guardian with guidance about your child's upbringing, and make provisions for your children's financial future using the most tax-effective means available.

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## Make binding death nominations

It is also important to consider a binding death benefit nomination on superannuation and retirement income stream products as they ensure these funds bypass the estate, and in so doing, are excluded from any claims against the estate. Make sure your nomination is current, as binding nominations need to be renewed .

## Cover those assets not covered by your estate

One of the most common mistakes made in estate planning is leaving no instructions for those assets not covered by your estate, such as assets held in trusts and companies. Separate provision needs to be stipulated to ensure that control over these assets pass on to those you intended.

## There are many events that can trigger a need to review an estate plan

You may need to update your will if:

- you get married
- you start a de facto relationship
- you start a civil partnership (previously called a registered relationship)
- you get divorced or your marriage is annulled
- you end a de facto relationship
- you end a civil partnership (previously called a registered relationship) or it is voided
- your children or grandchildren or any other persons you want to include as beneficiaries in your will are born
- your assets or financial circumstances change
- any person named as a beneficiary in your will pass away
- any person named as an executor, trustee or guardian in your will passes away or becomes unable or unwilling to act due to age, ill-health or any other reason
- you want to change your beneficiaries, executors, trustees or guardians named in your will
- you retire
- you are affected by a natural disaster

- you make a valid arrangement with the trustee of your superannuation fund to pay the proceeds of your superannuation into your estate

## Some estate planning mistakes to avoid include:

- Writing an informal Will and not having it witnessed
- Not keeping your Will up to date
- Assuming your superannuation will bypass your estate
- Not telling people where your Will is located
- Using beneficiaries as witnesses to your Will

This list covers a lot of the most important things to consider, however, professional advice should be sought to tailor your estate planning arrangements to your unique individual circumstances.

If your family situation changes, be sure to seek professional advice to update your estate plan accordingly. Then you can get on with living your life.

Our Modoras Planners may be able help ensure your estate passes to your chosen beneficiaries by identifying potential issues which could adversely impact your desired distribution. The Planning team works with a range of estate planning professionals to ensure your wishes are actioned appropriately.

## Need more information?

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