



Understanding Series
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This document contains general information about the benefits, costs and risks associated with certain product classes and strategies. It is designed for use in conjunction with a Statement of Advice that takes into account the circumstances and objectives of an individual. Before making a commitment to purchase or sell a financial product, you should ensure that you have obtained an individual Statement of Advice.

As legislation may change you should ensure you have the most recent version of this document.

How to read this document

Managing your finances to meet your day to day requirements as well as your long-term goals can be a complex task. There are all sorts of issues you need to consider such as taxation, legislation, protecting your wealth and assets, associated costs and the inherent risks of investment. When undertaking a financial plan it is important that you understand how these issues will impact on you and what you should expect over time.

Your financial adviser will provide you with a Statement of Advice (SOA) which sets out the details of the advice and how it will meet your goals and objectives.

This document provides some additional information to help you understand the financial planning concepts discussed in the SOA in relation to **estate planning**.

It is very important that you read this document to help you understand the benefits of the strategies recommended to you, and the associated costs and risks.

If you do not understand anything or need further clarification, please contact us.

Estate planning

An effective estate plan includes tax effective Wills to protect your estate and the interests of your beneficiaries in the event of your death.

Jointly held assets, trust assets and superannuation, however, are not necessarily dealt with by the terms of the Wills. These are usually considered 'non-estate' assets for estate planning purposes.

It is therefore important to have a comprehensive estate plan to ensure that all assets are transferred in the most effective and efficient manner.

Outlined below are some factors to consider when developing your estate plan.

Your Will

Your Will is the document that transfers the assets owned in your individual name to your nominated beneficiaries.

Most people wrongly believe that their Will covers all of their assets, so special care should be taken to ensure that the ownership and control of all of your assets, including 'non-estate' assets pass to beneficiaries in the way you intend.

Testamentary Trusts

A Testamentary Trust is a trust created pursuant to your Will and has several significant advantages for any current and future children and grandchildren.

Testamentary Trusts can help to distribute your estate to your beneficiaries in a more tax-effective manner and reduce the likelihood of a successful challenge to your Will.

A Testamentary Trust may also provide asset protection for beneficiaries of your estate who may face certain legal claims on their assets. However, if the trust is established in contemplation of frustrating the claims of, for example, legitimate creditors, the courts may effectively unwind the arrangement.

Enduring Power of Attorney

Granting a Power of Attorney means that you legally appoint a person or an organisation to make decisions, sign documents, and act on your behalf in various matters.

When you grant a Power of Attorney you may choose to limit the actions which the attorney can perform on your behalf (Limited Power of Attorney) or give the attorney wide powers to undertake actions on your behalf (General Power of Attorney).

Enduring Power of Guardianship

It is possible for you to appoint someone you know and trust with the authority to make personal and lifestyle decisions on your behalf when you cannot make these decisions for yourself, for example, if you become mentally incapacitated. This can include providing consent to medical and dental treatment. It is called Enduring Power of Guardianship, as it is different yet complementary to Enduring Power of Attorney.

Advance Health Directive (Queensland Only)

An Advance Health Directive is a document that allows you to appoint another person to make decisions about your medical treatment, but only when you are unable to make these decisions yourself, (for example, if you are unconscious or involved in a serious accident). This directive is currently only available in Queensland. To implement an Advance Health Directive, a form needs to be completed which can be obtained from your local legal office. This form should be completed with a medical professional present, such as your family doctor or medical specialist, as the decisions made via the directive, affect your life and well-being.

An Advance Health Directive complements an Enduring Power of Attorney in that it passes control of your medical affairs to someone you consider appropriate and who you are confident will respect your wishes.