

June 2008

## **YOUR ESTATE PLAN HEALTH CHECK**

We work hard most of our lives to create a nest egg and some security for ourselves and our family. It's worth looking after. And when the inevitable – and unpredictable happens, your family's interests can and should be protected.

They say that it is a precious gift to the people you love to have an up to date Will – for your peace of mind and theirs.

### **ESTATE PLAN HEALTH PLAN CHECK LIST**

Just answer YES or NO to the Questions Below...

- Do you have a valid Will?
- Is your Will up to date?
- Do you know/remember who will take charge of and control your Estate?
- Does your Will “protect” your assets against unpredictable financial or other disasters?
- Is your Will structured to take advantage of completely legal tax minimisation opportunities?
- Will your superannuation benefits devolve tax free on your family beneficiaries?
- Have you planned to preserve the CGT free status of your family home?
- Have any events like birth, marriage, death or divorce occurred since your last Will?

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### **A STORY ABOUT ASSET PROTECTION**

Tom, Dick and Harry

Paul and Mary bequeathed their Estate worth about \$1.5 million to their three adult sons, Tom, Dick and Harry, in equal shares. Tom was a doctor, Dick a gambler and Harry a successful business man.

Paul and Mary took the cheap option and bought an “off the shelf” will for \$30.

Within five years after the “lucky” brothers inherited from their parents:

Tom faced a massive claim for professional negligence which he lost. He was underinsured. His creditors quickly swallowed what was left of his inheritance.

Dick didn't waste any time in quickly moving from small time to big time gambler. In less than six months he had become yet another Las Vegas loser.

Things always happen in threes! Harry's successful business career crashed when it was discovered that his company had gone broke and that he, as the sole director was personally liable to the creditors. They took his inheritance.

A Testamentary Trust Will could easily have protected the inheritances of Tom, Dick and Harry. Their parents saved a few dollars and in the process lost \$1.5 million!

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