

# WHY IS HAVING A COMPREHENSIVE ESTATE PLAN IMPORTANT?



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## WHAT IS ESTATE PLANNING?

Estate planning is the process of identifying what assets and liabilities you have and what decisions you will need to make during your lifetime, and after you pass away.

There are a number of different circumstances which influence what kind of estate plan you may need. This can include the complexity of your financial and family affairs, your family and your wishes.

There are four key documents that everybody should consider as part of the most basic estate plan:

- Will – this comes into effect once you pass away.
- Enduring Power of Attorney (EPA) – this comes into effect whilst you are alive and authorises a person or persons to make decisions on your behalf, when you cannot make those decisions for yourself.
- Advance Health Directive (AHD) – this comes into effect whilst you are alive and allows you to make decisions for important medical choices at a time when you cannot make them for yourself.
- Superannuation Binding Death Benefits Nomination (BDBN) – this comes into effect once you pass away and tells your superannuation trustee to whom your super entitlement should be paid.

## WHY DO YOU NEED AN ESTATE PLAN?

Understanding what will happen to your assets, and what decisions can be made for you, is an important part of any successful estate plan. You should take into account:

- any specific gifts you want to make if you pass away;
- donations to charity;
- things you do not want to happen, i.e. donation of organs, cremation, etc; and
- who you trust or who you do not trust to make decisions on your behalf.

## WHY DO OTHERS NEED YOU TO HAVE A GOOD ESTATE PLAN?

It is a common occurrence for us to meet with clients whose loved ones have not put in place a proper Will, EPA, AHD or BDBN. Without these important documents, the law dictates:

- how their estate should be dealt with (if they have passed away); or
- what decisions can be made for them (if they have lost capacity but not passed away).

These are stressful times. Your family is worried about making the best decision for you, honouring your memory, trying to grieve your loss, and at times, managing intra-family conflict.

It is a common myth that these documents are expensive. Like anything, the more complex your affairs, the more expensive your estate plan may need to be. However, a good solicitor, who properly understands your needs and wishes, can produce a comprehensive estate plan which meets both your cost expectations and appropriately protects your assets and liabilities and your family at a time that your family will need some surety.

## A FEW TIPS AND TRICKS

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We have included below some of our tips and tricks to ensure your estate planning is kept up to date and relevant, so that when the time comes for it to be used, it does not further complicate matters: -

- Regularly review your Will, EPA, ADH or BDBN. Some BDBNs expire every three years. You should review your Will, EPA and ADH every two years.
- Every time you buy or sell a significant item (i.e. over \$10,000), you should review your Will. This does not mean you need to make changes, you simply need to ensure it is still relevant.
- Tell your family where your Will is stored. This may be with a solicitor's office or it may be in a safe. Your family does not need to see a copy of the Will, however you should at least tell them who to contact to get a copy of your Will.
- Leave clear instructions. The benefit of having a solicitor draft your documents is that they will be drafted clearly and be easy to follow when the time comes.

A proper estate plan requires careful consideration.

## WANT TO KNOW MORE?

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*If you would like some assistance with your estate plan, please phone us on 07 5458 9000 for a free chat with one of our solicitors.*



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