WHY SHOULD I HAVE AN ESTATE PLAN?

No matter how small your estate, begin the process now. By **Debbie Jacobs**, Senior Estate Administrator - Independent Executor & Trust.

Many may think that they are not old enough or wealthy enough to warrant doing any estate planning. However, if you are over the age of eighteen, no matter how small your estate, it is advisable to begin the process.

You can plan your estate, whether you are single, married, divorced, separated, or have minor/adult children.

Each plan will be unique and structured according to an estate planner's own unique set of circumstances, goals and objectives, and must be reviewed regularly to take account of personal changes and legislative changes.

What are the goals to Estate Planning?

- The most important tool in estate planning is to ensure your Last Will and Testament is in order.
- To ensure that the winding up of an estate takes place as efficiently and effectively as possible.
- To appoint heirs or legatees of your choice and to ensure your assets are distributed as per your wishes.
- Where there is no Last Will and Testament, the estate will be dealt with in accordance with the Law of Intestate Succession. This means that your assets may not be dealt with in the way which you intended.
- To provide liquidity. Should an estate not be liquid at death, the deceased's family members and dependants may suffer hardship, i.e. if there is a shortfall (estate duty, liabilities, administration costs, tax, etc.), heirs would need to pay into the estate or assets would need to be sold.
- Until the Master of the High Court has issued Letters of Executorship, accounts are frozen and the Executor can't act until appointed. The Estate Planner should ensure family members have cash funds immediately available.
- To ensure dependants and minors are provided for during the estate administration, including guardianship, and to avoid bequests to minors being paid to the Guardian's Fund until he/she reaches majority.
- Ensure suitable planning to minimise the impact of taxation on an estate, although it is problematic to use estate planning tools solely to aim at paying less tax.
- To provide future growth of your assets.
- If you were previously married, provision needs to be made for minor children.
- Need to account for Offshore Assets.

When should I revise my Estate Plan?

- In the case of divorce (remember if you do not change your Will, after the 3 month provision period your ex-spouse will benefit, if this was your previous intention).
- Review beneficiary nominations on any policies, annuities and Trust Deeds.
- If you are newly married – the marital property regime chosen will impact on an existing plan.
- After the birth of children/grandchildren; while they are minors, ensure that the assets they will inherit are protected through your Will.
- New business ownership - ensure business agreements are in place.
- If there is a downturn in your financial position, review your Last Will and Testament. Should there be cash bequests, these will be paid to the legatees before any residual heirs i.e. perhaps your spouse, and this might not be the planners' intention.