ESTATE PLANNING
WILLS AND TRUSTS

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The putting off today what you can do tomorrow places estate planning closer to just-in-time inventory management than sound financial planning which by definition requires a longer time horizon. We are confronted by our own immortality when we draft our will and understandably postpone what, to many, is an unpleasant look into the future.

In the past, the need for an estate plan was traditionally confined to the rich. Times have changed. Modern society has forced Mr and Mrs Average not only to plan for retirement, but also death in a more comprehensive manner. Factors that have driven this trend include:

- The demise of lifetime employment and the shifting of the burden to plan for retirement and death from one's employer to the individual.
- The demise of the family whether in its extended form or the breakdown of the immediate family itself.
- Our liberal constitution that provides for more than one form of marriage.
- The increase in financial products available as well as the complexity of their treatment from a tax perspective upon death.

Basic steps for estate planning

- **Find the right professional to design, implement and administer the estate plan.**

The complexity in the disciplines of a sound estate plan and will dictates that the individual retain the services of a competent independent professional adviser who has the required knowledge and experience.

- **Calculate the net asset value of the estate.**

Identify your assets, including bank and investment accounts, personal property (jewellery, collectibles, cars and boats), retirement plans, face values of life insurance, business interests, monies owed to you, and fixed property.

Entrepreneurs or business owners should ensure they place a value upon their business interests annually and that the basis for valuation is regulated in their partnership, shareholder agreements and the like.

Identify your liabilities and include credit card debt, car and other personal loans and mortgages.

- **Look at the family position and assess the financial needs of the family:**

  - Minor children.
  - Mentally or physically challenged adult children.
  - Elderly parents or family members.

The primary considerations when addressing these special needs are:

- The careful consideration of the appointment of a guardian and or custodian. It does not necessarily follow that your immediate siblings or your parents are the ideal choice to act as guardian and or custodian. Before committing a person, check that he or she is willing to accept the appointment – an instant family including great-Aunt Mary may prove to be an unwelcome surprise.
- After recognising the financial constraints of the individual concerned, it is essential to provide adequate funding to sustain the