

YOUR MONEY SORTED

GODPARENTS & GUARDIANS

Know the difference and make sure your kids are cared for if you die

BEING asked to be a godparent to a family member or friend's newborn baby is an honour. But sometimes godparents believe this makes them the child's legal guardian too, and this isn't the case at all.

Godparents have no legal or financial responsibility towards their godchildren if the parents die.

Here's everything parents need to be aware of to ensure their minor kids are taken care of if they die.

WHO TO CHOOSE

When it comes to appointing a guardian, there are many practical aspects to keep in mind.

* Ask the person if they're prepared to take on this responsibility. Do this before you nominate them in your will.

* It must be someone you trust will take good care of your kids – and preferably someone who shares your values.

* Talk about the involvement of other family members, especially when choosing guardians outside your immediate family circle.

* Think what will happen if your appointed guardian gets divorced or leaves your town. It's also important to include a second tier of guardians in your will in case anything happens to your appointed one.

* Regularly review your choice of guardians because people's circumstances change. If the person isn't in a position to look after your child anymore you can nominate someone else.

home – but there are no guarantees their financial circumstances won't change over the years.

This is why you should provide sufficient financial coverage for your children.

You can discuss the different options with a financial planner, for instance a life policy that will pay out when you die and cover your children's care and education.

WHO TAKES CARE OF THEIR INHERITANCE?

You can specify in your will who should manage your child's inheritance.

Usually this would be the trustees of a testamentary trust. This is a trust that only becomes effective when you die.

The assets and money you leave to your children are kept in the trust and used to provide for their needs.

If you don't make this type of provision, the master of the high court can decide that the assets (such as property, vehicles and even furniture) are sold and the proceeds transferred to the guardian's fund until the child turns 18.

Fisa can recommend lawyers and trust consultants who can help you.

THE GODPARENT

The roles of godparents vary between cultures and families. Traditionally, it was a religious function with the godparent informally responsible for a child's religious education.

Today, it's mostly an honorary position for a good friend or family member who can be a social and spiritual example for

the child.

The expectation is that the godparent will be interested in the child's wellbeing and give guidance if needed. But godparents have no legal rights or obligations towards their godchildren and they aren't required to take care of them in the event of their parents' deaths.

THE GUARDIAN

This is the person who will be legally liable for a child's care if both parents die or become incapacitated.

As a parent, you must nominate a guardian in your will. You can contact the Fiduciary Institute of Southern Africa (Fisa) – see Get more help here – to recommend a lawyer, financial planner or trust company to draw up a will for you.

If both parents pass away, the master of the high court appoints the nominated person as the

legal guardian. They're then required to take care of the child until their charge turns a certain age – usually 18.

If only one parent dies, even if you're divorced, the other biological parent automatically becomes the sole guardian unless a court rules otherwise.

If you don't appoint a guardian, the master will decide who should raise your kids. But it's not ideal – the person the court chooses might be someone of financial means but not someone you like.

FINANCIAL PROVISION IS NON-NEGOTIABLE

Preferably the guardian should be financially stable so your child will grow up in a financially healthy



GET MORE HELP HERE

▶ fisa.net.za ▶ lawyer.co.za ▶ amagqwetha.co.za ▶ www.fpi.co.za

TIPS

Godparents are usually selected for life, but your choice of legal guardian should be reviewed on a regular basis.

If you're appointed a legal guardian, don't shy away from asking for assurance that the necessary financial provision is in place before you accept the appointment.