



**EMPIRE SMSF ADVISERS**  
Superannuation & Investment Specialists

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## Taking the steps now to plan for the distribution of your estate could ensure your lasting legacy

Although it is not something we like to think about, death is part of life. Putting the plan in place today to ensure your wishes are met posthumously is as important as the plans you make for today, and can provide for your loved ones for a lifetime.



**Take the steps now  
to get your affairs  
in order**

Estate planning is more than just making a plan to distribute certain assets to certain people. A complete estate plan will allow you to retain control of your assets and to determine who will make decisions on your behalf should you become unable to in the future. The most essential activity is to talk to a professional, someone who can help out in all areas of estate planning and works with a network of professionals to meet all of your estate planning needs.

Advance planning, good advice, and the proper assembly of important documents will all ensure that your estate is handled as easily as possible. The following issues should be considered when developing a thorough estate plan:

- Asset protection
- Probate avoidance
- Avoidance, minimisation and deferral of tax liabilities
- Planning for illness or incapacity
- Selection of guardians, personal representatives and other fiduciaries
- Formation of family limited partnerships and other business entities
- Succession strategies for family businesses.

A good estate plan should take into account both your personal and financial goals. For example, some families may need a trust to manage and distribute assets to minor children.

All assets of any value should be considered when developing an estate plan, including real estate, business and farm interests, investments, retirement plans, life insurance proceeds, personal property, art or other collections, cash and personal effects.

Your estate plan will be formulated by taking into consideration the fair market value of your assets, how you own them legally, their growth potential, their liquidity, and what assets should be passed to specific individuals.

Your estate plan will provide you with the comfort of knowing that your wishes will be carried out should anything happen to you in the future. This benefits not only you, but also your family members, who otherwise may face the burden of making choices for you without your input.

Effective estate planning can help minimise potential tax consequences for your loved ones.

The cornerstone of estate planning is a watertight will that formally sets out how to divide your superannuation, property and assets among your dependants and relations.

But a well-constructed estate plan is much more than just making a will. It may include:

- Appointing a **power of attorney** - one person or a group of people you trust to look after your financial and business affairs
- Establishing a **discretionary or family trust** to protect your wealth
- Establishing a **testamentary trust** to reduce your family's tax liability after the main breadwinner's death
- Appointing a **trustee and/or executor** to carry out your wishes as per your will.

Other useful estate planning tools include:

- **Binding nomination** - creates a framework for your superannuation death benefit
- **Life insurance** - provides a lump sum for your beneficiaries

## What is the effect of tax on my estate?

Tax can be an enormous burden on your estate.

When you leave an asset to another person upon your death, the asset may be subject to capital gains tax (CGT) when the beneficiary disposes of it. If you don't take CGT liabilities into consideration, your beneficiaries may need to split up property or compensate for the depreciation of certain assets, watering down their entitlements.

Without adequate estate planning, your beneficiaries may find much of their inheritance vanishes due to CGT.

## Consideration of an estate plan depends upon whether:

- You have sizeable assets and the personal circumstances of your beneficiaries require the creation of more complex trusts within your will
- You have vulnerable beneficiaries with special needs
- Your investment or business structures are complex and may include a family discretionary trust, a self managed superannuation fund or a private company
- You wish to minimise the tax liability of your estate or your beneficiaries, for example via superannuation or testamentary trusts.

Estate planning advice will help you to decide whether you require the preparation of a more complex will incorporating testamentary discretionary trusts, amendments to your family trust deed or self managed superannuation fund and a formal estate planning strategy document.

What are you waiting for?

Book an appointment via our website for your free one on one consultation to see how we can help you get started. Or why not give us a call and have a chat.

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### What you need to know

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