



## WILLS & ESTATES | Issue No. 19 | Is estate planning on your bucket list for 2017?

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Estate planning is such an important task however we often put it off thinking “I’ll get to it one of these days.” Understandably, discussing our own demise can be a difficult conversation and people often avoid making arrangements as they do not realise how simple estate planning can be.

The problem with delaying our estate planning is that if we do pass away unexpectedly, then our loved ones are left with an almost nightmarish situation of dealing with the consequences of a loved one not having attended to their affairs. In addition to their obvious grief, this can leave them feeling stressed and more emotional than is needed. It also often leads to disputes over what the deceased person would have wanted.

Figures show that more than 50% of Australians do not have a will (*The Public Trustee WA, 2016*). That figure is likely to increase substantially for Australians who do not have a **current valid** will.

By attending to your estate planning you can set a path for your loved ones to follow to ensure that dealing with the administration of your estate is as simple and stress-free as possible. It also can help reduce the legal costs involved in the administration of your estate.

Here are a few situations you may not be aware of that highlight why it is important to have a will and arrange your affairs if you have not already:

- If you are married with children then your spouse may not receive your whole estate on your death.
- If you do not have a spouse or children, your estate is divided equally between your parents on your death. Do you have a close relationship with both your parents and would want them to share in your estate? This is a particularly important consideration for people who are raised by one parent or raised by guardians and do not wish both parents to inherit their estate.
- Superannuation doesn’t automatically form part of your estate. Is your binding nomination up-to-date? If not, your superannuation fund decides who receives your death benefit.
- Children under the age of 18 are taxed at a higher tax rate on income earned on trust funds set up for them

outside wills. This can be avoided by setting up another kind of trust within your will which may substantially reduce the tax payable on income earned for children under 18.

- That old will you did 10, 20, 30 or more years ago may still be valid. This is even the case if you have since had children who weren’t provided for in the will. It may be time to consider if it still reflects your intentions.

These are only a handful of reasons why attending to your estate planning is such an important task that should not be delayed any longer.

We often sit down with clients who are dealing with the administration of an estate of a loved one who has not prepared a will. Comments we regularly hear from clients include, “We talked about this – I wish we had just done our wills” and “I should have pushed him harder to do a will – he just didn’t want to discuss death.”

Estate planning doesn’t have to be painful. For clients with relatively simple affairs, it generally takes two appointments with us and sometimes a few emails or phone calls and their documents are finalised.

Why not cross one thing off your 2017 bucket list and call us to discuss your estate planning?



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