



NEED TO UPDATE YOUR WILL?

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Many parents make "simple" wills leaving their estate to their children. We hold many current wills which reflect this tradition.

But, with the increasing prevalence of family trusts, it is worth considering whether there is a better way of benefiting family members.

If an adult child has a family trust, they will almost undoubtedly have embarked on a programme under which they gift the value of their home and other assets to their trust at what is today the rather slow rate of \$27,000.00 each year. It can take a considerable amount of time to gift property to a Trust.

If you leave your daughter or son personally an inheritance of what may be several hundred thousand dollars, then this may be yet more money to be gifted to their family trust. At \$27,000.00 per year, some people may find themselves gifting money for the rest of their lives! A considerable cost but, as important, a greater risk that a well thought out gifting programme will fall short.

You may want to consider amending your will so that your estate is given to their family trust, rather than to your child. The "real" beneficiary is likely to be the same, but it will save the burden of gifting the money to their trust.

For those that have concerns about a child's spouse or partner, this may also be a good way of keeping your bequest out of the relationship property pool and one step further away from litigation. Your daughter or son should consider setting up their own personal trust to receive your bequest. That trust will have nothing to do with their partner and the assets will not form any part of the shared property should the relationship irretrievably break down.

For more information, please contact one of our offices.

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