

FAMILY FUTURE

A photograph of a family of four running through a grassy field. In the foreground, a young girl with long brown hair, wearing a pink and white striped beanie and a purple and white striped sweater, is running towards the camera with a joyful expression. Behind her, a young boy with blonde hair, wearing a dark blue jacket, is also running. In the background, a woman with blonde hair and a man with dark hair are running towards the camera, both smiling. The background is a soft-focus landscape of tall grass under a pale sky.

Everything you need to know.

# Family Future

## Estate Planning

eBOOK

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## **What if I am young, fit and healthy?**

It is estimated that nearly 40% of Australians die without an estate plan.

Of the people in Australia who die with an existing estate plan, the majority are aged over 60 years of age. In practice, people who live into their 60's start to contemplate the limitations of their mortality, and plan for their exit from this life.

Of the 40% of people who die without an estate plan, the vast majority are aged less than 60 years. For the younger generation, the consequences of not having an estate plan in place can have drastic consequences for any family members or dependants, especially in the case of young families.

## **Is there a difference between an estate plan and a will?**

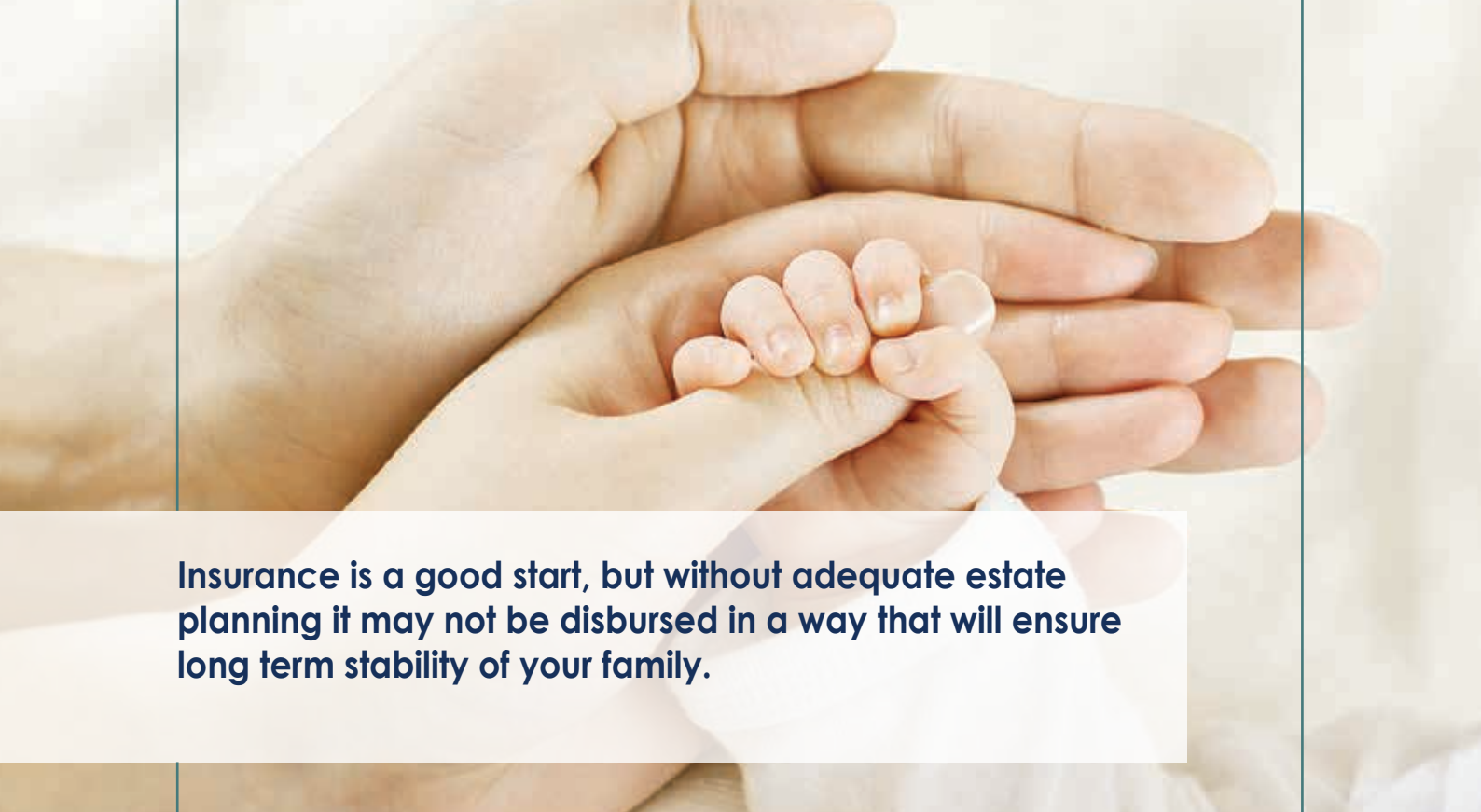
A will is directed to one event in life – death. An estate plan is the documented process of comprehensively establishing procedures relating to the various possibilities limiting your ability to maintain control of your life and the inevitability of death.

Currently, modern estate plans are making a strong impact around the world, empowering families and preparing them for unexpected life events. Family Future provides assurance and security through the complete preparation of an estate plan.

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***A will is just a division of your assets, it does not  
create a safety net for your family.***

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**Insurance is a good start, but without adequate estate planning it may not be disbursed in a way that will ensure long term stability of your family.**

## **What is the purpose of estate planning?**

In the case of incapacity, an estate plan provides much needed protection of loved ones, many of which are dependent upon you, and ultimately facilitates the disposal of your assets, in the event of your death.


For young families, modern estate planning provides a brighter future for both peace of mind and security. Family Future offers you protection and ensures the proper care and distribution of wealth. In the event of an untimely death of a parent, a clear plan is necessary for the immediate and ongoing care of the children.

Estate plans for older persons generally focus on the potential for dementia or other similar incapacities, and in general terms the distribution of assets amongst children, siblings or others. For younger people, particularly parents, estate planning is directed to managing possible challenges that could have a detrimental effect on a family in the ongoing future.

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***“A goal without a plan is just a wish.”***  
***— Antoine de Saint-Exupéry***

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Many people believe that having insurance is adequate planning in case of an unexpected death.

It is not...

## Is insurance through superannuation, enough?

For any young family, most will say that having some insurance is better than having no insurance at all. This is not always the case. The odds are that most young parents survive the development of their children into teenage years and later. Today, Australians are more fit, healthier and stronger with better longevity than any previous generation.

However, if tragic, catastrophic circumstances do arise, the first question from the surviving family members will not be, "Did they have insurance? Is there enough money for the kids?" Instead, the question from everyone will be, "Who are they going to live with? What would the parents have wanted to happen?"

The initial questions from the surviving family are not financial questions. They are essentially legal ones. These are issues that young parents can and should deal with in an orderly fashion. Young parents with dependants can exercise controls and plans in advance, which benefit the children and most commonly the extended family.

The reality for many young parents when deciding with whom the children will live is that friends with similarly aged children are often more attractive options rather than family members. However, in the circumstances where a tragedy does occur, best friends are not generally taken into account by family members, and almost certainly not by a court.

Today, insurance is not enough to protect the future of your family, as it does not include any direction for the protection of your children. Furthermore, an insurance policy alone does not direct the most secure, sensible and trustworthy recipient to control your money for the benefit of your children. Without a proper estate plan, your insurance money could end up in the wrong hands. Don't let this happen to you, let Family Future and Owen Hodge Lawyers help solidify the future of your loved ones.





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***“Family is family, and is not determined by marriage certificates, divorce papers, and adoption documents. Families are made in the heart”  
— C.JoyBell C.***

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## **Plan now to avoid hardship for your loved ones**

A couple of years ago my father died at the age of 82 years. In some ways, due to a progressive illness, he had been dying for nearly 10 years. When he was in his late 70's he said to me that he was happy that he had lived a good long life. Despite the prolonged lead up to his ultimate death, when the moment came that he passed on, I was filled with an overwhelming emotional reaction. I know that in a similar way the same is true for my sister.

If human emotional reactions can be so strong at the death of an elderly parent, the emotional toll would be as significant, if not greater, in the event of a tragedy involving a younger parent or partner. The emotional reactions of a grieving adult can affect their usual behaviour, interactions, decisions and communication in many ways. It can be far from ideal and in some cases even destructive, for grieving adults to make important decisions affecting the lives of those around them. It is hardly surprising that in such tragic circumstances it is almost impossible for surviving parents, grandparents, aunts and uncles to piece together a plan of action to care for surviving children that best reflects an ideal situation which the now deceased parent(s) may have had in mind, were they to have addressed such a question.

For young families, such issues are rarely dealt with, which means that the need for a modern estate plan is increasingly necessary. Through marriage, it is not uncommon for families to have different cultural backgrounds, different religions and a myriad of different values. Such circumstances give rise to the risk of not reaching agreements that benefit the dependants. All too often, disputes arise between competing potential guardians, such as financially stable grandparents, aunts or uncles. For children who have survived the death of their parents, this aggravated environment is hardly ideal for coping with legal issues. Family Future and modern estate planning offers you a solution by providing a clear plan in the event of tragedy.



**Family Future is a highly flexible, consultative planning service for parents of young Australians, guaranteeing the adequate care and provision for families in the unfortunate event of a tragedy.**

## **How does my age affect my estate plan?**

Modern estate plans are far more comprehensive but often more complex for young parents. Take for example, two parents with an 18-month child: What would happen to the child if the parent(s) died prematurely? Who would the child subsequently live with? How would the child be brought up and how would that upbringing be financed? Who would administer the insurance policy? When would the capital of the insurance be paid to the child? These questions only scratch the surface of creating a comprehensive plan.

One can quickly see from the above example that for a young person in their 30s with dependent children life contains significant risks. Those risks ultimately are not borne by the young parents, but by their vulnerable and very young children. Many young parents do not wish to address mortality in the form of an estate plan because the need is not directly present. The reality is, the view of modern estate planning must be seen through the eyes of their dependants.

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## **What does estate planning involve?**

Estate planning takes into account the critical question of "what would be the ideal situation were you to die?" Family Future assumes this question is answered even if tragedy strikes tomorrow. Indeed, the question is critical and urgent because it is directed to the here and now, as well as the distant future.



Unfortunately, for many young parents the response to a question about death is a form of denial. Once the denial of mortality has been overcome and accepted, you are able to deal with the potential outcomes and create an estate plan designed to secure the future of your family; in addition to other testamentary documents in preparation for the distribution of assets over many years to come.

These documents can also deal with the potential guardianship of children, if a tragedy were to occur in the near future. Most importantly, an interaction with a financial planner to obtain appropriate insurance may be required and can be organised by a lawyer. This can and should form part of an estate plan - where insurance is obtained to determine how an estate should be administered. This will reduce the impact of drafting a will and on testamentary trusts.

An important aspect of a modern estate plan requires a determination as to whether testamentary trusts are to be used for the benefit of young children. It is often considered wise to utilise trusts that come into effect only upon the death of the testator. This serves as an asset protection mechanism and in some cases protects against creditors of beneficiaries. In the case of younger beneficiaries, trusts may protect assets against the beneficiaries themselves. In situations where one or more testamentary trusts are utilised, drafting a determination of who the trustee should be, is also required.

As a will only deals with the situation where the testator dies, it is sensible for a power of attorney to be created, which a comprehensive estate plan provides. A power of attorney appoints a person to control the assets of the appointer, in situations where he or she is otherwise unable to do so. For example, after a terrible accident or illness where a person is temporarily or permanently incapacitated and unable to manage their own affairs or to safely make financial decisions, an attorney steps in as previously appointed. Family Future ensures this individual is given a comprehensive plan to actively support your family in a time of need.

## **Proper estate planning in business is vital.**

For business professionals, estate planning is essential. Any business with partners or shareholders should have a partnership agreement or shareholders agreement that governs the relationship between the respective owners. Going hand in glove with such documentation should be a buy/sell agreement underpinned by insurance.





**Family Future covers all potential considerations that may face a family met with tragedy – whether the tragedy occurs in Australia or abroad.**

The reality for most small businesses is that owners are dependent upon each other and work in the business. If one owner were to be incapacitated or die prematurely then the whole business structure is likely to be affected. In many cases a surviving spouse will inherit ownership of the share of the deceased person's interest in the business, but without any of the skills, time, passion or interest in the business that the deceased contained. Clearly that situation can lead to a detrimental effect on the business and a financial loss to the surviving partners or shareholders.

In other situations, the surviving spouse is at a significant disadvantage to the existing, surviving owners and may be unfairly dealt with. To protect against this situation, the buy/sell agreement and insurance allows for a surviving spouse to be paid out an agreed amount. Family Future helps business owners provide a comprehensive plan on the financial stability and continued performance of their business.

## **Why Family Future?**

Family Future utilises the full gamut of estate planning tools to empower families and prepare them for unexpected life events. Through the preparation of wills, testamentary trusts, powers of attorney and where necessary, buy/sell agreements and insurance, Family Future ensures a brighter future for Australian families – whether through peace of mind or security.

### **Services include:**

- Legal advice and recommendations**
- Establishing and implementing a Will**
- Testamentary trusts**
- Enduring Power of Attorney**

In many circumstances it is appropriate that a superannuation death nomination be considered. In other situations it is appropriate for a guardianship appointment to be prepared. Family Future estate planning is a comprehensive approach covering all the risks, potential outcomes and mainly, the death of a loved one.




It is important to maintain legal documents and information concerning assets and investments. Owen Hodge Lawyers provides you with piece of mind through our modern estate plan, Family Future. We suggest these documents be considered and maintained:

- Birth certificate
- Marriage certificate
- Will
- Enduring Power of attorney
- Living will
- Personal insurance policies
- Title deeds for the property
- Home and contents insurance policies
- Any other insurance policies
- Bank account details
- Superannuation details
- Any other investments documentation
- Medicare card
- Medical insurance details
- Any prepaid insurances such as a funeral
- Comprehensive details of online pass words and iCloud assets

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***Family Future is an Owen Hodge Lawyers initiative that harnesses more than 50 years of industry experience, to tailor a service to your family's individual requirements.***

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**An investment into Family Future, is an investment in the security and protection of the people you care for the most.**

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***“What a day can bring, a day can take away.”  
- Thomas Fuller 1608-1661***

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**Start planning your Family’s Future today.**

**Call Owen Hodge Lawyers on 1800 770 780**

**Visit us at [www.owenhodge.com.au/familyfuture](http://www.owenhodge.com.au/familyfuture)**