

# Which solution to use: Standard or Simple?

## Testamentary trust v no Testamentary trust?

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Effectively preparing for your loss of capacity and death is about much more than purchasing and signing the usual online will, power of attorney and guardianship appointment or a \$100 document kit from the newsagent.

Every day you protect and care for yourself and your family. If you want to protect and care for your family, your family's assets and your family's future if you lose your capacity and when you die, you need effective estate planning, which is about much more than a set of documents.

Apart from signing a carefully considered will, power of attorney and guardianship appointment, effective estate planning ensures that what you want to happen when you lose capacity or die happens in the way you want it to happen and with the maximum effect.

Effective estate planning also deals with the taxation considerations for your family and the risks to your family's assets if you lose your capacity or die. PaxAnimi's innovative and unique online Screening Tool and fixed price effective estate planning service will lead you through each of these things.

PaxAnimi's innovative and unique online Screening Tool and fixed price effective estate planning service will bring your estate planning up to speed. The way it should be, giving you peace of mind about your planning for loss of capacity and death.

You will not get all of that by purchasing and signing the usual online will, power of attorney and guardianship appointment or a \$100 document kit from the newsagent.

You can get all of that by using PaxAnimi's innovative and unique online Screening Tool and fixed price effective estate planning service.

## Risk management and our **standard solution** for your effective estate planning

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Our standard effective estate planning service deals with risks 3 to 7 of the 7 risks to the passing of wealth on death. If you need a solution for risks 1 and 2, you will need to discuss that with us separately.

1. **Risk 1 - SPENDTHRIFT** - what if an intended beneficiary is not good at managing money and you want to protect them against that?
2. **Risk 2 - SPECIAL NEED** of a beneficiary - what if an intended beneficiary has a physical and/or intellectual disability that means they are not able to manage the wealth themselves?
3. **Risk 3 - SPECIAL NEED** of a beneficiary - what if an intended beneficiary develops a drugs, alcohol, gambling or mental illness problem before they take control of their gift?
4. **Risk 4 - BANKRUPTCY** of a beneficiary - what if your intended beneficiary is bankrupt when you die or becomes a bankrupt after you die having inherited assets from you?
5. **Risk 5 - BETRAYAL** by surviving partner - will your surviving partner change their will after your death and disinherit your children or other intended beneficiary? Will they give the wealth away?
6. **Risk 6 - DIVORCE** of a beneficiary

What if a relationship of a beneficiary breaks down (including a new relationship of your surviving partner after you die or a new relationship of a child)?

Will the assets that you leave them be exposed in a claim by their partner?

7. **Risk 7 - DEATH** of a beneficiary

What if a beneficiary dies and their partner or children challenges their will as the deceased has not made adequate provision for their surviving partner or children?

Will the assets that you intend to leave your surviving partner or children be exposed in a claim by their partner or children?

## Taxation and our **standard solution** for your effective estate planning

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Our standard effective estate planning service also does the following things for you:

1. Gives your surviving spouse and children or other intended beneficiary **tax advantages** after you die in the using of the personal wealth that you want to leave to them.
2. Gives your surviving spouse and each child or other intended beneficiary the **option** after you die **to access those tax advantages** through a tax effective and flexible trust that can come into existence on your death.
3. Gives your surviving spouse and each child or other intended beneficiary the **option** after you die **to access those tax advantages** through a tax effective and capital protected trust that can come into existence on your death.

## Further benefits of our **standard solution** for your effective estate planning

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Our standard effective estate planning service also does these further things for you:

1. **Makes an allowance after you die that may be required to get equality** between your children because during your life you have given more to one or more of them than to the others.
2. Transfers **control of your companies and trusts** after you die to your surviving spouse and eventually to your children but so that a majority of your children cannot do the wrong thing by a minority of them, where decisions need to be made by unanimous resolutions.
3. **Staggers the timing** for the passing of control after you die of the gifts you intend for your beneficiaries so that the beneficiaries do not get control of too much wealth too soon.
4. Gives you the knowledge of what **housekeeping** needs to be done so that you can make sure that assets pass as you want and you can **maximise the risk and taxation benefits** of using testamentary trusts after you die.

**PaxAnimi's Simple Solution:** If you don't want the above things from your estate planning, PaxAnimi's **simple** and effective estate planning solution will do what you need.

## The PaxAnimi® recommendation about which of its 2 services to use

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The PaxAnimi® recommendation about which of its 2 services to use, the **standard service** and the **simple service**, is based on these 2 things:

1. Whether you ask for your beneficiaries to be able to tax effectively use the income from the investment of any gift you make to them
2. Whether you say you are concerned about at least 1 of the following:
  - A partner/spouse of a beneficiary getting control of a testamentary trust set up for a beneficiary
  - A partner/spouse of a beneficiary being a capital beneficiary of a testamentary trust set up for a beneficiary
  - Risk 4 (bankruptcy of a beneficiary)
  - Risk 6 (divorce of a beneficiary)
  - Risk 7 (death of a beneficiary and a challenge to their will)

If you ask for any 1 of those 2 things, the PaxAnimi® recommendation will be for you to use the standard service.

If you don't ask for any 1 of those 2 things, you must accept that your estate planning is not going to do any of the above things for you.

If you are undecided about which of our services to use, as a guide, if you have between \$1,000,000 and

\$2,000,000 of personal wealth, the risk management and taxation benefits that form part of our standard fixed price effective estate planning service provide a very powerful estate planning solution. That is a guide only, as amounts of up to \$1,000,000 can also do that. Those amounts include wealth that may arise from superannuation, including life insurance inside superannuation and they include wealth that may arise from life insurance from outside of superannuation.

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