



Guide to estate planning

Most of us want to be able to pass our wealth on to future generations and make sure that the people who depend on us are looked after.

Effective estate planning is generally about developing objectives for your estate that are in accordance with your wishes, building financial security for your dependants, and ensuring that the wealth you have accumulated over your lifetime is not eroded. The purpose of this guide is to provide you with a basic understanding of some of the issues you may like to think about when planning your estate. However it should not be relied upon as financial or taxation advice.

Tax issues

How and to whom your estate assets are distributed to can potentially have the greatest impact on the value of your estate. In simple terms, the administration of your deceased estate needs to take into consideration the income tax and potential CGT consequences when assets are received by your deceased estate or beneficiary(s).

Tax issues can be complex so it is recommended that you discuss your situation with both a qualified financial adviser and your tax adviser before making any decision.

What is a Will?

A Will is a legal document that allows you to choose who should benefit from your estate and who should administer it.

A professionally prepared Will is likely to ensure that your exact wishes are expressed in terms that are clear, concise and unambiguous. You may like to think about having your Will professionally prepared as a minor mistake may affect the distribution of your estate.

Testamentary trusts

Wills may make provision for the establishment of one or more trusts for the benefit of your spouse, children, grandchildren or other intended beneficiaries. These trusts can be an effective estate planning strategy, providing asset protection, flexibility and the tax effective distribution of your deceased estate assets to beneficiaries.

Testamentary trusts can be discretionary trusts that offer flexibility to trustees to vary the distribution of income and capital depending on the beneficiaries' circumstances. This can include beneficiaries who are under 18 years of age who

pay tax on testamentary trust income at normal marginal tax rates. They are not subject to the higher tax rate which applies to certain types of income in relation to minors.

It is recommended that before making any decisions you consult a qualified adviser and/or solicitor (in conjunction with a tax adviser) about making provisions for a testamentary trust in your Will as they can be extremely complex.

Intestacy

If you do not have a valid Will when you die, you are said to have died "intestate". Distribution of your estate will then be carried out by a court-appointed administrator in accordance with current state-based legislation. If the administrator cannot establish who your relatives are, your estate may pass to the State.

If you do not have a Will or believe that your Will does not reflect your current wishes, you may like to think about contacting your solicitor.

Power of Attorney

Granting a Power of Attorney means that you legally appoint a person or organisation to make decisions, sign documents and generally act on your behalf in various matters.

When you grant a Power of Attorney you can choose to either limit the actions which the attorney can perform on your behalf (limited Power of Attorney) or give the attorney broader powers to undertake all necessary actions on your behalf (general Power of Attorney).

Both types of Power of Attorney are automatically revoked if the person granting them becomes mentally incapable of handling their own affairs. An enduring Power of Attorney, on the other hand, will continue to operate if you become mentally incapable. Again, you may like to discuss these issues with your solicitor.



Do you have a Will? When thinking about your estate planning position you might like to consider contacting a qualified adviser or solicitor who may be able to help you in preparing your Will.

Guide to estate planning

Did you know...

As a member you can call us for help about your super. We can provide you with access to phone based advice on a range of super strategies at no additional cost. If you need more in-depth help, a face-to-face meeting with a financial adviser can be arranged. To access any of these services contact us on **1800 602 977** between 8:30am and 6pm AEST, Monday to Friday.



Any general tax information provided in this publication is intended as a guide only and is based on our general understanding of taxation laws. It is not intended to be a substitute for specialised taxation advice or an assessment of an individual's liabilities, obligations or claim entitlements that arise, or could arise, under taxation law, and we recommend that you consult with a registered tax agent.



Contact us

For more information visit plum.com.au or call us from anywhere in Australia on **1300 55 7586** between 8am and 7pm AEST (8pm daylight savings time), Monday to Friday.

Postal address

Plum Super
GPO Box 63
Melbourne VIC 3001

Important information and disclaimer

An interest in the MLC Super Fund ABN 70 732 426 024 (Fund) is issued by NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL 236465 (Trustee). Plum Super is part of the MLC Super Fund. The information contained in this document is current as at 1 July 2016. Any changes in the law or policy subsequent to this date have not been incorporated in this document. This document has been prepared by the Trustee and contains information that is general in nature. The information does not take into account your objectives, financial situation or needs. Before acting on the information you should consider whether it is appropriate having regard to your personal circumstances and seek licensed professional advice. It is recommended that you consider the relevant *Product Disclosure Statement (PDS)* before you make any decisions about your superannuation. To obtain a copy of the relevant *PDS* please call us on 1300 55 7586. Neither the Trustee nor any other company in the National Australia Bank group of companies accepts any liability whatsoever for any decision that is made on the basis of or in reliance of the information contained in this material.

The Trustee is not a Registered Tax Agent and any tax information is of a general nature and should not be relied upon to determine your personal tax situation. It is recommended that you consult a professional tax adviser who is a Registered Tax Agent about your personal circumstances.

Phone based general and limited personal advice and the online advice tools (Personal Super Calculator and Insurance Advice Calculator) and any financial product advice provided through these services is provided by National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit License 230686 (NAB). The Trustee does not endorse or make any representation or give any guarantee or warranty in relation to the services and financial product advice provided by NAB and its authorised representatives. The Trustee merely facilitates members' access to these services and does not accept any responsibility or liability for the services and any financial product advice provided. The Trustee is part of the National Australia Bank group of companies.

© 2016 NULIS Nominees (Australia) Limited ABN 80 008 515 633, AFSL 236465. Part of the National Australia Bank group of companies.

An investment with NULIS Nominees (Australia) Limited is not a deposit or liability of, and is not guaranteed by NAB.