

6 Steps for a Successful Estate Plan

Protect your assets and your loved ones



With the right lawyer, preparing an estate plan shouldn't be complicated. Let us help simplify the process with our simple, six-step guide.



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Getting started

Estate planning can seem like an overwhelming task, especially if you don't know where to start. Preparing an estate plan doesn't have to be complicated. With the right lawyer, it can be a simple process that ensures your family's financial security long after you're gone.

A good estate plan is one that is created well before you need it, so the key is to start early and be as thorough as possible in outlining the steps you want to be taken in the event of your death or disability. To help simplify the process, we've laid out the six steps to a successful estate plan below.



Your Six-Step Plan

1. Define your estate goals

Estate planning aims to achieve an efficient distribution of your assets amongst those you wish to provide for, both during your lifetime and following your death.

Setting goals early is important as they will guide your estate planning process.

For many of us, our estate planning goals will change over time. For instance, at age 30 you may only want to leave your spouse an inheritance; however, by the time you're in your 70s, you might want any surviving spouse or children as well as other loved ones like siblings or friends to inherit from you.

It's important that estate plans account for both scenarios. That way, if anything changes, it won't prevent you from meeting your goals.

When creating your goals you should also take into consideration how much money you'll need to maintain your lifestyle after retirement, before deciding how much you should bequeath.



2. Organise important documents

Many important documents are created during the lifetime of an individual. These documents may be critical to ensuring that your estate is distributed in accordance with your wishes. The following is a list of documents that should be compiled at least once every three years or updated more frequently as life circumstances change. This list includes but is not limited to wills, trusts, beneficiary designations, powers of attorney, financial information and information about insurance. All this information can be organised in a binder or folder so it is easily accessible if there is ever a need for it. It will also help to ensure you have copies of all these vital documents in case they are lost or destroyed.

3. Analyse & discuss with Lawhub

Engaging one of our experienced estate lawyers is a crucial step when creating an estate plan. We can help you review your existing estate plan to determine what it looks like, how comprehensive it is, and if there are any issues with how it was executed. Because we're trusted professional advisors, we can provide you with an objective opinion.

You should always meet our team before making any changes to your estate plan, as this will be the opportunity for us to advise you on the best steps forward. We may also have insight into any potential weaknesses in your current estate plan, which would allow you to address those concerns sooner rather than later.



4. Key documents in an Estate Plan

What is a relationship property agreement?

A relationship property agreement is an agreement made by two people who are in a relationship. The purpose of this type of agreement is to decide what will happen with the couple's shared property if they break up or one person dies. A relationship property agreement dictates what will happen to the participant's family home, personal belongings, relationship property (including the family car, household furniture, and anything else owned by the family or used for family purposes), the family businesses and investments, property owned jointly or in equal shares by the spouses or partners property acquired during the relationship, contributions to superannuation and insurance policies after the relationship began, including Kiwisaver increases in the value of relationship property, or any income from it or any proceeds from selling it.

What is a will?

A will is a legal document that names someone as your executor or personal representative—the person who will make sure your final wishes are carried out after you pass away. The executor is also in charge of distributing your assets, including real estate, bank accounts, and other possessions. If you don't want any of your family members or friends to handle these assets, you can name a trust company instead.

What is trust?

A trust is an arrangement in which one person, called a trustee, holds legal title to the property for another person's benefit. The trustee can be instructed on what to do with those assets, or they can be given broad powers of discretion. Trusts are most commonly used when an individual wishes to leave money or other valuables as part of his or her estate plan but doesn't want any specific beneficiaries—such as adult children—to have direct access to that wealth while they're still alive.

You can talk to our lawyers if you want to learn more about the documents you might need in your estate plan. Please don't hesitate to reach out to us if you need our assistance. Our experts are here to help!

5. Name Guardians for Children

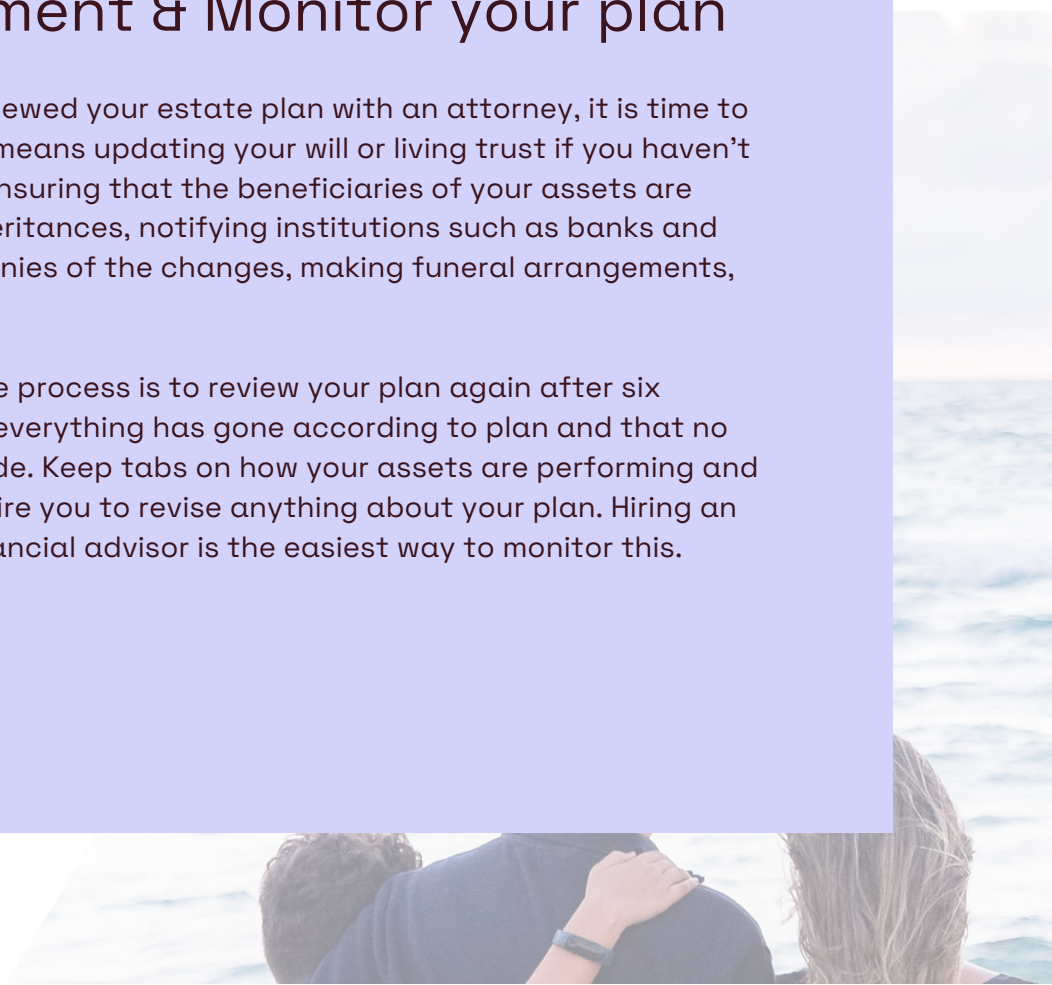
If you're raising minor children, naming guardians for them is vitally important. Make sure the person you name has your child's best interests at heart, will provide both emotional and financial support, have time to care for your child, knows the child's friends, likes their schools and can continue on with all of their extracurricular activities.

The guardian should be somebody who can make decisions in the event that they are needed while still consulting with you. It may be tempting to appoint a close friend or family member as guardian but it's important to consider their own life situation before making this decision. Remember, choosing a guardian doesn't mean that you're choosing not to take care of your child yourself.

6. Implement & Monitor your plan

Once you have reviewed your estate plan with an attorney, it is time to implement it. This means updating your will or living trust if you haven't done so already, ensuring that the beneficiaries of your assets are aware of their inheritances, notifying institutions such as banks and investment companies of the changes, making funeral arrangements, etc.

The last step in the process is to review your plan again after six months to ensure everything has gone according to plan and that no mistakes were made. Keep tabs on how your assets are performing and whether they require you to revise anything about your plan. Hiring an accountant or financial advisor is the easiest way to monitor this.



Your next steps

Creating an estate plan provides protection for you, your assets, and those who are important to you. You can rest easy knowing that the legacy of your hard work will live on for generations. Planning ahead can help make this time go as smoothly as possible. If you are interested in developing an estate plan, contact us today. We're here to help!

Need advice?

Let's chat!

✉ enquiries@lawhub.nz




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