



DEFENCE FORCE WELFARE ASSOCIATION

September 2016

PLANNING AND PREPARATION

There are numerous issues to be considered so please give it some of your time. Good preparation and planning will make it so much easier for those left behind in the event of your death.

IMPORTANT DOCUMENTS

Collect all your personal records and locate them in a place known to your next of kin. If any are located elsewhere, make a list of these and indicate where they are located.

Examples include:

- Adoption Papers
- Advanced Health Directive or Living Will
- Baptism, Christening or Naming Certificates
- Birth Certificates
- Child Support Agreements/Custody Arrangements
- Copyrights, patents, and inventions
- Death Certificates
- Department of Veterans' Affairs/Centrelink Cards
- Diplomas
- Divorce Decree Nicci and settlement papers
- Financial Records
- Household Inventory
- Immunisation Records
- Inheritance records
- Insurance Policies
- Legal Papers
- Living Trusts
- Loan/Lease Documents
- Marriage Certificate
- Military Records and Discharge Papers
- Passports
- Powers of Attorney
- Pre-paid funeral papers
- Private Health Insurance
- Property Deeds
- Tax file number and tax papers
- Vehicle Titles
- Will

BANKING AD FINANCE

If you have a joint account in both names the banks will not freeze this account, **provided it does not require both to sign.**

If there is an account in a single name with multiple people authorised to access the account, this account will be frozen until probate actions have been completed (this could take some months although some banks may approve release of some funds for living expenses). However, you should consider:

- opening a joint account which can be used with either signature, or
- opening an account in each name that has sufficient funds to enable normal activity until probate is approved.

If you have a credit card in your name and there are multiple cards linked, all the cards will be cancelled.

- If a credit card is needed, arrange for your partner to have a credit card in their name with an appropriate limit.
- Some banks may allow a credit card in two names and, if that is the case, it will still operate on the death of one of the named persons.

Even if you think everything is in order, check with your bank or financial institution. Tell them exactly what you want to do and they should tell you how to do it, bearing in mind that there are differences between the banks.

Make and maintain a list of:

- accounts and whose name/s they in
- regular bills and how they are paid
- contracts such as mobile phones and how they are paid
- location of cheque book and other banking documents.

If you use internet and/or telephone banking your partner will need access to logins and passwords etc.

MAKE SURE YOU HAVE AN UP-TO-DATE WILL

This will ensure your assets will be distributed as you desire. If you don't, state and/or public trustees will administer the Will and this can be costly and divisive. It can also mean delays in releasing assets which can add hardship to the immediate family and those who matter.

You can do your will yourself. However, estate planning is a complex issue and the issues associated with executing an estate and finalising issues are many and various. Seek appropriate professional advice before committing to anything. Remember that professionals are there to make a living by helping you. Unfortunately some are less than scrupulous so ask questions and expect answers. If the professional advisor will

not answer the question in a manner that is satisfactory to you then seek a second opinion or find another advisor.

Be aware that you may need to change your Will if there are any changes to your personal circumstances, particularly if you marry, remarry, separate or divorce.

Appoint an Executor

An Executor is someone, usually a solicitor or legal representative, who takes care of things after death. There are tax issues associated with estates so it is better to consider a professional rather than a member of the immediate family.

Maintaining the Blood Line

A blood line trust can be established within the Will to ensure your money cannot be claimed by 'in-laws' if this is your wish. This can also be used for blended families to protect a biological child's inheritance.

Trust your Family

A **testamentary trust** can be established in the Will which will come into force on your death and the benefits will be distributed at the discretion of the trustee and in accordance with your wishes. You may have a spendthrift dependant and a testamentary trust can control their access to the inheritance. The other advantage of a testamentary trust is that technically the child does not own the assets hence they are protected from claims by third parties (bankruptcy, divorce).

Even it Up

This is to ensure that each beneficiary gets the same **after tax** amount as different assets have different tax treatments. For example if there were two properties of the same value, one had been the family home and the other an investment property, if sold there would be no Capital Gains Tax to be paid on the family home but there would be Capital Gains Tax paid on the investment property.

Superannuation

Check your super fund's deed to see what happens to the benefits after death. Nominating beneficiaries for your super can ensure the money is paid to the right people instead of the government.

Superannuation laws allow conversion of taxable super into non taxable money and this may maximize the amount left to the beneficiaries. This is complex and professional advice is recommended.

There are also potentially some tax savings to be made by having your money in the pension phase of your super as all gains are capital gains tax free

DO YOU HAVE ANY SPECIFIC REQUESTS?

You may care to detail your final wishes for the benefit of your next of kin:

- If serving, do you want a military funeral?
- Who is to be contacted and advised of your death?
 - This could include those people who provide professional services and people from your past who others may unintentionally overlook;
- A eulogy;
- Specific funeral directions;
 - Preferred funeral director
 - Buried or cremated,
 - Type of service,
 - Who you wish to conduct the service,
 - Music,
 - Readings
 - Prepaid funeral arrangements.

If you believe that you may be eligible for official commemoration through the Australian Office of War Graves, make your next of kin aware of this. Also, let them know that you are eligible to have a service badge on your memorial - this can be applied for through the Australian Office of War Graves.

HAVE A POWER OF ATTORNEY

Each State or Territory has its own laws relating to Power of Attorney so you should check what is applicable to you. However, as a general guide:

- A limited Power of Attorney allows a person to act on your behalf in specific circumstances only.
- An Enduring Power of Attorney gives a person of your choice the legal responsibility of making financial and legal decisions for you from a specific time

and continues into the future, even if you are no longer able to make decisions for yourself.

- Most states now have some form of “Advance care planning” which enables you to give directions about medical treatment when you are no longer able to communicate for yourself.
- Most states have Enduring Guardian arrangements which give a person of your choice the power to make “lifestyle” decisions for you if you should become mentally incapacitated.

DEPARTMENT OF VETERANS’ AFFAIRS

If you are a holder of a Gold Card, this will not automatically be transferred to a surviving partner. However, provided the required conditions are met, your partner could be eligible for a Widow’s Pension (and Gold Card). Discuss this with your partner. It is a good idea to obtain a copy of the necessary forms so that you can check what will be required. It is also extremely important to be aware that what is put as “cause of death” on a death certificate can make a tremendous difference to the success or otherwise of an application. Discuss this with your doctor/s to ensure that they are also aware of the significance of this.

MARITAL OR COUPLE RELATIONSHIPS

It is important that you check with both DVA and ComSuper that your marital or couple relationship will be recognised. This is particularly important if you are separated because of illness.

EX SERVICE ORGANISATIONS

Ex Service Organisations like Legacy and the RSL will be able to assist a surviving partner. Find the contact details for an office closest to you.

CLUB AND ASSOCIATION MEMBERSHIP

Make a list of these together with contact details as they will all have to be cancelled or transferred.

CONTRACTS

The current trend towards contracts for mobile phones, Internet, security systems and the like can cause problems. These may have to be paid out in full. Some contracts may need

to be re-negotiated or transferred to the surviving partner. Your partner needs to be able to access all relevant account details, passwords etc to be able to contact the companies as soon as possible and to avoid running up further bills.

FINAL TAX RETURN

After your death, a final tax return will have to be completed. Gather any information you already have together with the details of your Tax Agent, if applicable.

Useful resource used in this summary:

The Department of Veterans' Affairs' kit *Planning Ahead*. It can be found at the following link:

<http://www.dva.gov.au/about-dva/publications/health-publications/planning-ahead-kit>