



Duncan.Legal

planning for life...

Newsletter – Issue No. 14

PAYMENT INSTALMENT PLANS

Duncan. Legal is continuing to provide flexible Payment Instalment Plans through the ongoing COVID-19 Pandemic.

We understand that the current economic climate is very difficult and we also know the importance of ensuring that a Will and Powers of Attorney are in place particularly for those who have disability in the family.

To ease the costs of Estate Planning, we are happy to discuss the option of a Payment Instalment Plan.

Instalments can be made **weekly, fortnightly or monthly** by arrangement, at a rate that you can comfortably manage.

Providing for Children in your Will – Equal or Unequal Splits?

A key decision that all Willmakers need to make when providing for children, one of whom has a disability, is whether all of their children should receive an equal share of the estate, or whether the shares are to be unequal?

Should the child with the disability receive a larger inheritance than the other children because they do not have the same ability to generate income and live independently as their siblings might? Or conversely, if the person with the disability needs to continue to receive a disability support pension and other government benefits, will they be taking a lesser share of the estate so as not to disentitle themselves to continued payment of these supports?

If parents determine that a child with a disability will need to continue to receive a pension and government supports after they die, then how much of an inheritance can they leave that child?

Alternatively, if it is proposed that the child with a disability should inherit enough to fund his/her needs for the rest of life, then how do you work out how much money or income generating assets will be enough to provide for this?

These are often very difficult questions. Frequently clients may need to seek the specialised assistance of a Financial Advisor or Actuary in order to undertake some financial modelling of future needs and the real economic impact of the loss of government support in monetary terms.

For this edition of our Newsletter, Duncan.Legal has invited Financial Planner, Michael Forer, of Wealth Planners to offer up a few pearls of wisdom on this subject.

Whatever decision parents reach about inheritance splits between their children, it is very important for parents have an open conversation with all of their children about their wishes and their reasons for their decision, particularly in the circumstances where there is to be an unequal split.

A child who is expecting an unequal split of an estate and is supportive of their parent's reasons for making this, is less likely to challenge the provision made in a Will after the last parent is deceased. This maximises the value of the estate for all beneficiaries inheriting under it.

Duncan.Legal is open and operating within the current mandated COVID-19 parameters. Face-to-face appointments are welcome (when restrictions allow) and general appointments can be held via teleconferencing technologies (eg Zoom etc).

Disability Support Pension “DSP” Thresholds

Prepared by Michael Forer of Wealth Planners

August 27, 2021

The rate of Centrelink Disability Support Pension (“DSP”) received is impacted by an Assets Test so it is important to understand the implications of any inheritance received.

By receiving a lump sum inheritance, a disabled child may see a significant reduction in their DSP. This unintended consequence needs to be considered and strategies formulated to try and avoid this from occurring.

Case Study Example

Craig is living independently in his own home and receives a full DSP. He has minimal other assets that total \$20,000.

Pension rate per fortnight	Single
Maximum basic rate	\$868.30
Maximum <u>Pension Supplement</u>	\$70.30
<u>Energy Supplement</u>	\$14.10
TOTAL	\$952.70

His mother passed away leaving a \$1.5 million Estate equally to her 3 children including Craig.

As a result, Craig now has assessable assets of \$520,000 and his eligibility for the DSP will be impacted as his total assets are over the Centrelink Homeowner threshold, set out below:

Your situation	Homeowner	Non-homeowner
Single	\$270,500	\$487,000

Every \$1,000 in assets over these amounts reduces a pensioner's asset tested pension rate by \$3 per fortnight (single or couple combined).

The Disability Support Pension completely cuts out once your assets reach a certain level, currently;

Your situation	Homeowner	Non-homeowner
Single	\$588,250	\$804,750

As a result of remaining under the upper threshold Craig will still be eligible for a partial DSP but his entitlement will reduce by \$748.50 p.f. (\$19,461 p.a.) to **\$204.20** p.f.

Wealth Planners is a family-owned business that provides personal tailored advice across many areas which impact the financial well-being of clients. If you have any questions about the above or any other financial planning issue, please call Michael from Wealth Planners on 0403 365 145 or email: michael@wealthplanners.com.au.



Note: Michael Forer is located at the same business premises as Duncan. Legal and is available to work collaboratively in relation to your Estate Planning needs.

NEW Duncan.Legal Webinar Recording Is Now Available!



The 3rd webinar in our disability series called **Disability Estate Planning** is now available for purchase from our website. This webinar is in addition to our Special Disability Trust & Supported Decision Making Webinars launched earlier in 2021.

Duncan.Legal presents a 60-minute Webinar (approx.) that covers our '**10 Tips for Estate Planning with Disability**' and examines disability specific issues to consider when formulating Wills and Powers of Attorney that are to provide for a person with a disability.

Learn about types of protective trusts, who to appoint as trustees, asset protection strategies, preservation of pensions/government benefits, superannuation & life insurance beneficiary nominations and some accommodation options for a disabled family member.

'Disability Estate Planning' Webinar	\$77.00 (incl GST)
'Supported Decision Making' Webinar	\$55.00 (inc GST)
'Special Disability Trusts' Webinar	\$55.00 (inc GST)

Visit our website: www.duncanlegal.com.au.

LOCKDOWN OPERATIONS UPDATE – Duncan.Legal is open for business!

Legal practitioners providing essential legal services are “authorized workers” for the purposes of the current Lockdown restrictions. Those practitioners who cannot work from home are permitted to access their work premises. Because of the essential nature of the work we do, Duncan.Legal is currently operating from its business premises during regular hours.

On 03 September 2021, the LIV released further guidance for Legal practitioners. **“Clients can now visit a legal practitioner’s workplace for urgent legal matters such as executing a Will. This applies if the legal practitioner’s workplace is more than 5 km from a client’s home.”**

Furthermore, **in urgent circumstances that requires in-person services, legal practitioners can visit the client at their home.** Legal Practitioners must wear a face mask and physically distance to 1.5 m where possible.

In an environment where the health status of individuals can change suddenly, Duncan.Legal is committed to continuing to provide estate planning services without delay to clients who desire to make these arrangements. If your matter fits the criteria, Duncan.Legal is happy for you to attend an appointment in person, or to arrange for us to visit you in your home.



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