

Estate planning

Future Event Transfer

About estate planning

Estate planning is the process of structuring your financial and personal affairs so that your assets and personal possessions can be distributed according to your wishes when you pass away. Estate planning can involve more than just creating a will, although a will is an important part.

Having a will alone may not necessarily deal with the effective distribution of all your assets, which is why it's important to consider your estate planning carefully to ensure it reflects your circumstances, wishes and needs.

Planning ahead

Planning how to transfer your assets to your loved ones can remove unnecessary stress and financial hardship. It's important that the assets you accumulate over your lifetime are left for those most important to you. Getting the planning right can help minimise adverse and unintended consequences such as:

- the wrong people receiving your assets
- high fees and costs that may erode the value of your gift(s)
- delays in distributing your assets
- potential challenges by disgruntled family members, beneficiaries and others
- additional tax being incurred by your estate.

The right estate planning approach

Your financial adviser can help you develop your estate planning strategies and work with the appropriate legal and tax professionals to implement those strategies. When developing your estate planning strategies, you may need to consider:

- who you want to provide for and their personal or specific needs
- any complexities in your family arrangements
- the potential for legal claims or disputes
- the tax impact to your estate and your intended recipients
- who will act as your executor or estate representative.

Flexibility in passing on your wealth

Estate planning can be a complex and expensive exercise, which means having flexibility and simple to use estate planning solutions are important.

This is where investment bonds can provide a simple but effective solution to estate planning. Investment bonds can be a cost-effective, tax-effective and convenient way to pass on your wealth to your dependants and others, with minimal fuss.

Investment bonds have features that can be used in conjunction with, or as an alternative to, conventional estate planning tools – such as, a will, a testamentary trust (for intergenerational wealth transfers and making other future gifts), and superannuation.

An alternative to a will

An investment bond has a number of benefits over a typical Will arrangement including:

- no additional costs involved in setting up (compared to the cost of setting up a will)
- no requirement to obtain probate or administration of the estate (including not needing to be filed in the public domain)
- benefit proceeds or ownership passes directly (and privately) to the nominated beneficiaries – as a non-estate asset.

An alternative to a testamentary trust

As an alternative to a testamentary trust, you can use an investment bond to plan ahead with peace of mind about how, when and to whom your wealth (or part of it) will be distributed to the next generation. An investment bond has a number of benefits compared to testamentary trusts including:

- no requirement to be set up under a will
- no additional establishment costs
- a willing and competent trustee is not required
- often has no ongoing tax reporting of investment earnings and no ongoing administrative tasks.

Future Event transfer

Generation Life's Future Event transfer feature available through a LifeBuilder investment bond account can provide a convenient and tax-effective way to transfer your wealth.

Using LifeBuilder's Future Event transfer feature, you can control when and how your investment will be tax-effectively transferred and accessed by your loved ones on your passing or a transfer date selected by you. The transfer happens tax-free for income and capital gains purposes.

The Future Event transfer feature provides you with the estate planning flexibility to nominate:

Your transfer date – this can be any future date before your passing (including an immediate transfer), as at the date of your passing or a date after your passing.

The timing of access to funds after transfer – you can provide the recipient full access immediately or delay it.

Set how funds can be accessed after transfer – you can decide how the recipient can access funds after the transfer. You can provide full access or limit how much is paid to the recipient by setting up a Regular Income Payment arrangement.

Changing your preferences

Until the transfer occurs, you can change or remove your Future Event transfer preferences at any time. You can also change or remove the nominated recipient simply and easily.

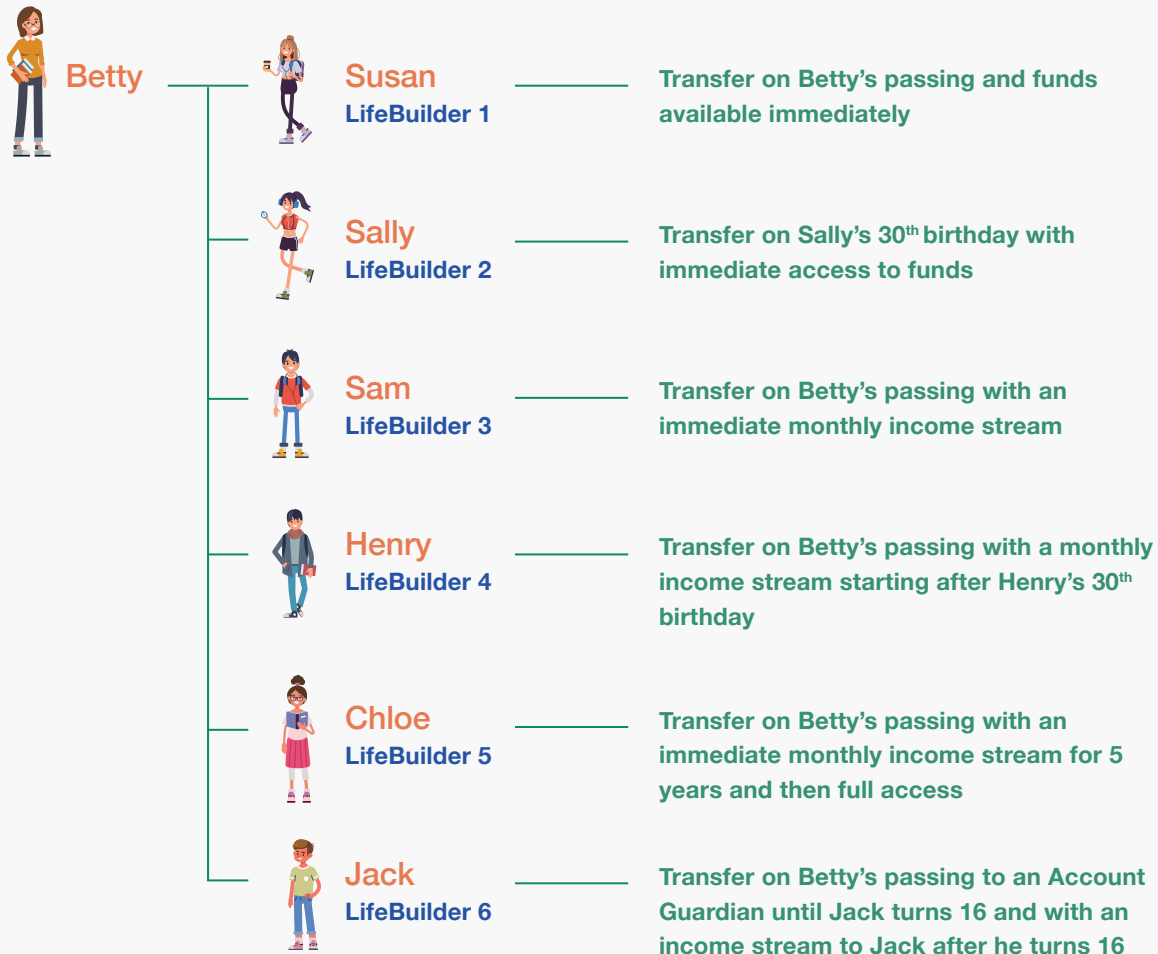
What happens if my recipient isn't aged at least 16 years at the time of transfer?

If at the time of the transfer your recipient has not reached 16 years of age, you can nominate up to three individuals aged 18 years or above to act as Account Guardians, or a company entity to act as the sole Account Guardian to temporarily hold a LifeBuilder investment on behalf and for the benefit of the recipient. Alternatively, you or your estate will hold the investment on behalf and for the benefit of the recipient. You can set the level of authority to transact on the account for the Account Guardians or the estate.

Can the recipient access funds if I delay their access to funds or set up a Regular Income Payment option?

Sometimes your intended recipient may need special one-off access to funds to help them financially (for example, to fund a home purchase or car). To plan for these unexpected needs, you can nominate up to three people, or a company entity as a Co-Signatory, who can authorise one-off withdrawal requests made by the recipient or authorise a regular withdrawal arrangement.

Example of the Future Event transfer feature in use



Using the Future Event transfer feature is simple and straight-forward

The recipient

Nominate the individual you want to transfer ownership to.

Delay access

You have the option to delay access to funds for a period after the transfer date.

Transfer event date

Nominate when you want the transfer to occur:

- a future date
- on your passing
- the earlier of the future date and your passing.

Set up a Regular Income Payment arrangement

You can choose for a fixed amount to be withdrawn and paid (monthly, quarterly, half yearly or annually) to the transfer recipient. The regular payment amount can be a fixed dollar amount or based on a percentage amount (based on the account value at the transfer date).

About Generation Life

At Generation Life, we know that finding the right investment partner is important for your future success. As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative tax-effective investment solutions since 2004. Today, we are a leading specialist provider of tax optimised investment, succession planning, intergenerational wealth transfer, estate planning and retirement income solutions – with over \$4 billion invested with us to date.

Generation Life is a regulated life insurance company, which is part of the Australian Securities Exchange listed Generation Development Group Limited group of companies comprising a number of diversified financial services related businesses.

Our focus and commitment is to provide Australians with market-leading tax-effective and flexible investment solutions to meet both personal and financial goals.

Generation Life investment bonds are investment-linked life insurance contracts governed under the Life Insurance Act 1995 and the Corporations Act 2001. The investment bonds operate under rules that are approved by the Australian Prudential Regulation Authority (APRA) in Australia. Investment bonds follow legislated tax rules administered by the Australian Tax Office that set out how they are taxed and when tax, if any, is due.



To find out more about your estate planning options talk to your financial adviser.



Outthinking today.

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