WEALTH DISTRIBUTION CASE STUDY

Warning

The case study below is an example of a client that we helped. For privacy purposes, we have amended minor details including names of the clients. It does not take into account your objectives, financial situation or needs. You need to consider your financial situation and needs before making any decisions based on this information.

The case study is illustrative only and is not an estimate of the investment returns you will receive or fees and costs you will incur

Vandhana is an existing client and is in a blended family situation. She is retired and has 3 adult children, Jay, Vikas and Pooja from her previous marriage. Jay is in business whilst Vikas and Pooja are employed in the banking sector. Jay is in a de facto relationship whilst Vikas and Pooja are married with young children.

Vandhana is now married to Brijesh who has 2 children from a previous marriage. Vandhana had accumulated considerable wealth during her career as a top earning executive in a Medical research firm. Whilst she has a great relationship with Brijesh, they have kept their finances separate and she wants her own children to be the beneficiaries of her wealth in the event of her death.

During our meeting to discuss her estate planning needs, we identified the following:

1. Jay runs a successful business and is looking to expand. The expansion will require a sizeable borrowing from the bank.
2. Vikas is starting to have problems in his marriage.
3. Vandhana is starting to experience some health issues. She has a family history of dementia.

We referred Vandhana to an estate planning specialist and shared the above facts with them. The initial recommendations from the specialist were to include a testamentary trust and power of attorney (both enduring and medical) as part of the estate plan. The objective of having the testamentary trust as part of her will was to protect against creditors and potential relationship breakdowns.

Since Jay was embarking on a borrowing exercise to expand his business, we thought it is prudent that Vandhana's assets is not exposed to his creditors in the event of her death and the subsequent bequeathing of the assets to Jay. Also, the relationship issues being experienced by Vikas could well lead to a divorce and Vandhana's assets could be subject to an asset split if Vikas inherits it during the proceedings.

The power of attorney was recommended as a prudent exercise, as sometimes we lose mental capacity to make decisions. In Vandhana's case it was even more important as she has a family history of dementia.

Vandhana's estate planning objectives were met with a comprehensive will and a testamentary trust. The enduring and medical power of attorney will ensure that her affairs will be looked after in the event she loses capacity to make her own decisions.

Contact Us

If you want to know more about wealth distribution and feel that we can assist, please call us at 1300 736 480 or email us at peaceofmind@gillprivatewealth.com.au