



# THE IMPORTANCE OF LEAVING A WILL TO FUTURE GENERATIONS

Estate planning is one of the most important aspects of financial planning as it ensures a meaningful legacy for clients and their loved ones. Although a will forms a significant part of any estate plan, it is too often undervalued. Yet, it is an integral part of an individual's succession plan, including wealth preservation and distribution, and also provides an instruction on guardianship of any minor children.

## THE IMPLICATIONS OF DYING WITHOUT A WILL

Dying testate (having a valid will) will give you peace of mind that your wishes are fulfilled. But what happens if you die intestate (without a will)?

Depending on your circumstances, the implications of not having a will can be far-reaching. If you die without a will, your estate will devolve in terms of the laws of intestate succession. This means that the legal system decides how your estate is distributed, which is very prescriptive and formula-driven and may not be according to your wishes or intentions. Therefore, dying intestate means that you have no say in how your estate is distributed and who benefits from it.

Where there are minor children, the state would appoint guardians (usually a close family member) and your children could end up with guardians you would not have chosen.

Furthermore, their inheritance will be placed in the guardian's fund, which is administered by the master of the high court.

## A WELL-PLANNED TRUST CAN PROTECT YOUR ASSETS AND PRESERVE YOUR WEALTH

A qualified financial planner and fiduciary specialist can assist you in creating a suitable wealth transfer strategy to protect how you pass your financial assets and property on to family members. A trust is a powerful tool for managing your wealth, especially for high net worth clients. It ensures that your assets are preserved and objectively managed and controlled by appointed trustees in the best interests of your beneficiaries.

There are two types of trusts to consider. An inter vivos trust comes into being during the lifetime of the founder with the signing and registration of the trust. This type of trust has a duration that is determined at the trust's formation and the distribution of assets to beneficiaries can take place during or after the founder's lifetime. It is a good idea to write a "letter of wishes" expressing your views and providing guidance for the trustees to make sure that your last wishes are fulfilled. A testamentary trust takes effect only after the death of the founder and the trustees of the trust will manage your legacy according to your wishes, ensuring that your wealth is administered and distributed for the benefit of your beneficiaries.

At Old Mutual Wealth Fiduciary, our premium services are designed for clients with estate values of above R10 million.

However, we believe that every client should have a valid will. We have therefore partnered with Lighthouse Trust & Corporate to offer an online wills capability that allows you to draft basic, yet robust wills for estates valued below R10 million.

For more information: [www.oldmutual.co.za/wealth/solutions/fiduciary-services-wills](http://www.oldmutual.co.za/wealth/solutions/fiduciary-services-wills)

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