



INSIGHT

Investment perspectives from the Harvard House Group

PLANNING AHEAD

Is your “Bus Box” in order?

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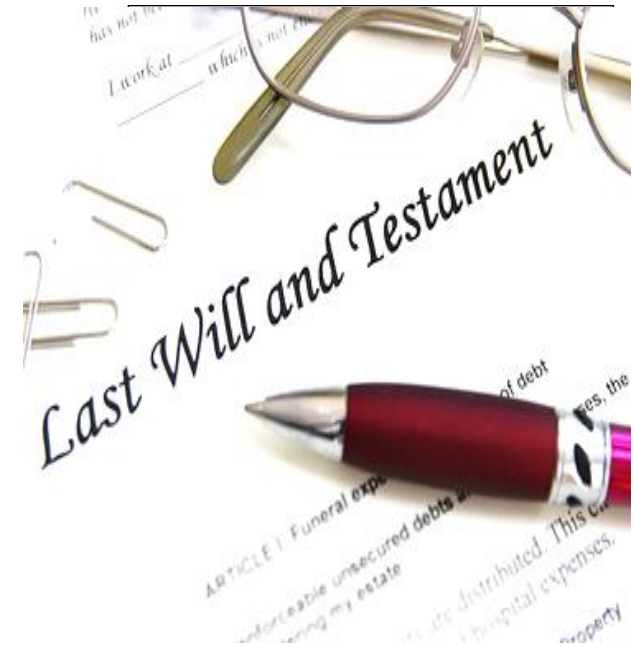
September 2014



The single most important issue

We cannot

- 📍 Make sure you have a valid WILL
 - Bear in mind those who can witness
- 📍 Choose your Executor carefully.
- 📍 Do not die intestate
- 📍 Do not leave it too late:
 - Signature / thumbprint
- 📍 Offshore assets – 2 wills?



Beneficiaries







Reduce the complexity

- 👤 Special bequests to individuals and charities
- 👤 Foolish bequests – eliminate them from your Will. Rather make them during your lifetime.
- 👤 Residual heirs
- 👤 Citizenship
- 👤 Wish List



The Executor

What is his / her role?

-  Must be in possession of your Last Will and Testament
-  He / she steps into the legal shoes of the deceased person
-  Respect the rights of your Executor
-  Do not try to do his job for him
-  Leave the entire job to him
-  Fees (a labourer is worthy of his hire)



Contact details for the heirs

How do we contact the heirs if you are not around?

 Make sure that your Executor has the following information:

- Telephone number
- Cell phone number
- Email address
- Postal address

- Remember that this applies to all beneficiaries, even obscure ones such as god-children



Key documents

Your Executor will require the following in order to administer your estate:



Deceased spouse:

- A copy of their last Will
- First & Final Liquidation account
- Death certificate



Divorced person:

- A copy of the Divorce Order



Married couple:

- A copy of the Ante Nuptial Contract or legal arrangement



Key documents

Continued

-  Title deeds to property / time share
-  Motor vehicle licence
-  TV licence
-  Contract with retirement village complex
-  Pension fund details
-  Medical Aid details
-  Bank accounts and investments
-  Income tax number, & person responsible for tax return
-  Life insurance policies & short term insurance policies
-  Any liabilities, mortgage bonds, credit cards, rates etc.
-  Details of any business interests




Firearms

These can become extremely complicated

 Give your Executor proof of your right to own a firearm.





Our recommendation:

-  During your lifetime:
- Transfer it to an heir
 - Hand it to the Police or gunsmith for it to be destroyed



Estate duty abatements

Tax is not as punitive as you might think

-  Your estate: R3.5 million
-  Your deceased spouse: R3.5 million, less portion claimed already in that estate.
-  Section 4(a) deduction: 100% of value of assets left to a surviving spouse.
-  2nd dying spouse receives an abatement of R7 million (2 x R3.5 million), less any portion of the abatement used in estate of the first dying.



Estate duty example

It is not the problem you might have been led to believe

		Value
Value of net assets of estate at fair market value		R10,000,000
Abatement		
- Predeceased spouse	R3,500,000	R3,500,000
- Less utilised portion	R1,900,000	R1,600,000
Dutiable Estate		R4,900,000
Estate Duty Payable	20% flat rate	R980,000

Comparable rates of tax

The tax burden is low relative to other taxes

Type of Tax		Rate
Estate duty	This example	9.8%
Income tax	Lowest bracket	18.0%
Donations tax		20.0%
VAT		14.0%
Capital gains tax		13.3%

Two examples

Small items that can complicate matters

 Saga of the UK premium bonds

 IOU for R40,000 – drinking buddies!

Document loans due to you & due by you!





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Q & A

Please feel free to ask questions

Thank you for listening