

# Planning for when you're not around? Make sure you consider these 4 things!

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As South Africa's largest provider of wills and estates, we have seen our fair share of heartache, tears, despair and frustration when dealing with the family that has been left behind.



Capital Legacy has helped over 370,000 South Africans get their wills in order and, of course, thousands of deceased estates – and there are a few nuggets that we can pass on to someone wanting to avoid excessive trauma for their family should they pass away.

## 1. Last will and testament

Do you have a [last will and testament](#)? Well, statistics show that nearly 75% of South Africans pass away without a valid will in place. The main reason for this figure is simply procrastination. Everyone is just too busy and never finds the time to get it done.

Your will is a legal document that deals with important things such as nominating the executor of your estate, who will care for your minor children and how your assets should be distributed after your death.

Without a will in place, everything you leave behind is distributed according to intestate succession law – which is usually not in line with your plan for the inheritance that you'll one day leave behind for your loved ones.

Getting your will drafted is the first and most crucial step in ensuring that your death, however traumatic for your family, is not compounded with the uncertainty of your final wishes, which inevitably leads to family feuds and often financial ruin.

It's quicker and easier than you think. Just get it done.

## 2. Trusts

Your will outlines what you want to happen when you pass away – trusts can help with the structuring and management thereof.

A trust is a fiduciary relationship in which one party, known as a trustor, gives another party, the trustee, the right to hold title to property or assets for the benefit of a third party, the beneficiary.

There are two main types of trusts: a living (inter-vivos) trust and a testamentary trust. When it comes to dealing with wills and estates, we concern ourselves mainly with testamentary trusts.

A [testamentary trust](#) only comes into effect when you pass away. You should consider using a trust when leaving assets to minors or beneficiaries with disabilities or special needs or protecting wealth for future generations.

Not only are certain tax exemptions applied to Trusts, but through the mandate of the trustees you ensure that the inheritance left to minor children or beneficiaries, who can't manage their own financial affairs, is managed well and to their benefit. If there is no trust in place, minors' inheritances are paid over to their legal guardian or to the government guardian's fund which is probably not what you would have intended.

## 3. Legal fees and other costs at death

Many people are entirely unaware of the [legal fees and costs associated with dying](#). Along with the heartache caused by the loss of a loved one comes a variety of additional burdens in the form of legal fees and expenses that your loved ones must take care of.

A few of these unexpected costs include executor fees, conveyancing attorney fees, testamentary trust fees, masters fees, inheritance tax and other immediate expenses, such as costs associated with arranging a funeral.

These fees can accumulate to hundreds of thousands of rands and can often throw a family into financial ruin.

It's one thing having your will in place, but equally important is ensuring there is a plan or at least enough liquidity in your estate to cover these legal fees. Understanding these fees and costs at death can help you prepare for them and ensure that they are covered and that the burden on your loved ones is alleviated.

Death is never easy for those left behind, but you can remove the additional burden on your loved ones by covering these fees through specialised insurance cover.

## 4. Life cover

Most people know what [life cover](#) is and how it works – but too many people don't think about the consequences of being under-insured.

When you pass away, your debts and monthly financial commitments such as bonds, loans, school fees and insurances don't die with you and still need to be covered.

Having sufficient life cover in place protects your family and loved ones, allows you to leave an inheritance, pay off debts and other expenses, and gives you peace of mind that they will not be left destitute.

Over the last decade of [winding up deceased estates](#), we often see estates that don't have enough cash to cover the deceased's debts. This leaves family members scrambling to raise finances and often ends up with them resorting to selling off assets such as cars and properties.

All too often, peoples' last wishes for their families in their wills cannot be carried out simply because they haven't secured

sufficient life cover to settle debts and leave a legacy.

Contact [Capital Legacy](#) for your complimentary Will consultation and get started on your estate plan today!  
[www.capitallegacy.co.za](http://www.capitallegacy.co.za)

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Wills & Estates Specialists

Our mission is to ensure that more South Africans have valid Wills in place and to lower the legal fees at death for our clients.

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