

PROTECTIVE ESTATE PLANNING

Protecting Family Wealth for Generations
with Grant Abbott LightYear Training Group



***Training
Group***
lightyear^{scps}

"Wills are dangerous as more than 60% of Wills are contested with over a 70% success rate. Every week there is high profile contested Wills story and many we never see. But it is not only Wills, but SMSFs with weak BDBNs, plus companies and Discretionary Trusts that fail to plan or maybe are *planning to fail*"



Make sure you join me on 11 May in person or on-line - lots of strategies plus post Budget wrap up - 6 CPD hours and best of all **FREE**

Live Stream

30 Years of Strategies

With Grant Abbott

Robina Events Centre, Greenfield

Bar & Restaurant

⚡ Thursday 11th May 2023

8 am - 4 pm

⚡ Live Streamed Online - If you can't make it in person



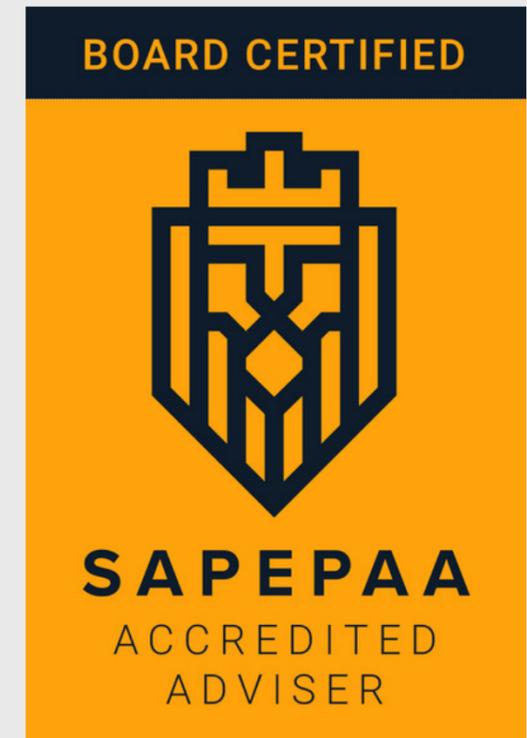
Five cases of hundreds from Abbott & Mourly Lawyers files of disasters

1. Client only appointor and trustee of a trust set up for wife and children - died suddenly
2. Company with sole director could not trade or pay employees or suppliers and was liquidated
3. Will set aside because the Executor could not prove the client, who was terminally ill had testamentary capacity
4. BDBN blew up because the planner had used a BDBN produced by their AFSL which did not match the required BDBN in the deed
5. A \$600,000 estate was challenged by a de-facto and four years later the Court awarded \$240,000 to the de-facto as against the children from first marriage but legal fees for the de-facto were \$190,000!!



But it does not have to be this way

- Accountants and financial planners can provide trust, superannuation and estate planning advice
- Can prepare documents from LightYear Docs based on data captures provided by Abbott & Mourly Lawyers
- Professional Indemnity insurance offered for accountants for all of their accounting services including Wills, Succession and Family Protection Trusts via We Love Group
- Over 200 accountants and planners have completed the LightYear Training SAPEPAA accredited training course - which can be completed on-line for \$990 which leads to Board Certification to cover five levels of skills and competencies
- Some of the smarter groups outsource the legal document production to Abbott & Mourly Lawyers through our Legal Back Office system on a 50/50 joint venture basis - we do the legals you manage the clients and data





We are S A P E P A A

Succession, Asset Protection & Estate Planning Advisers Association

Leave a Legacy



SAPEPAA Conference - 7-9 October 2023
Westin Siray Bay Phuket Thailand - Book before
Accommodation goes

Cocktail party, international speakers, strong
program, catch up with other SAPEPAA colleagues
and Gala Dinner

Accredited LightYear Training Courses



ADVANCED ESTATE PLANNING COURSE WITH CERTIFICATE

15 to 16 May 2023 - 2 days

Zoom



Why is Protective Estate Planning is so important?

- There is more than \$4.2 Trillion to pass between generations over the next 30 years - it is a booming gold mine for participants
- It is not just Wills but Trusts, Companies, SMSFs, Superannuation and even Joint Assets
- And a simple Will NEVER cuts it as the spouse may get re-partnered and on their death their assets go out of bloodline



The background of the image features a series of dark silhouettes of people of various ages holding hands in a line, symbolizing a family or a community. The silhouettes are set against a light, textured background that resembles a fine, diagonal hatching or a soft-focus light effect. The overall tone is monochromatic, using shades of gray and white.

HOW IMPORTANT IS IT TO
YOU TO PROTECT YOUR
FAMILY WEALTH FOR YOUR
BLOODLINE FOR
GENERATIONS TO COME?

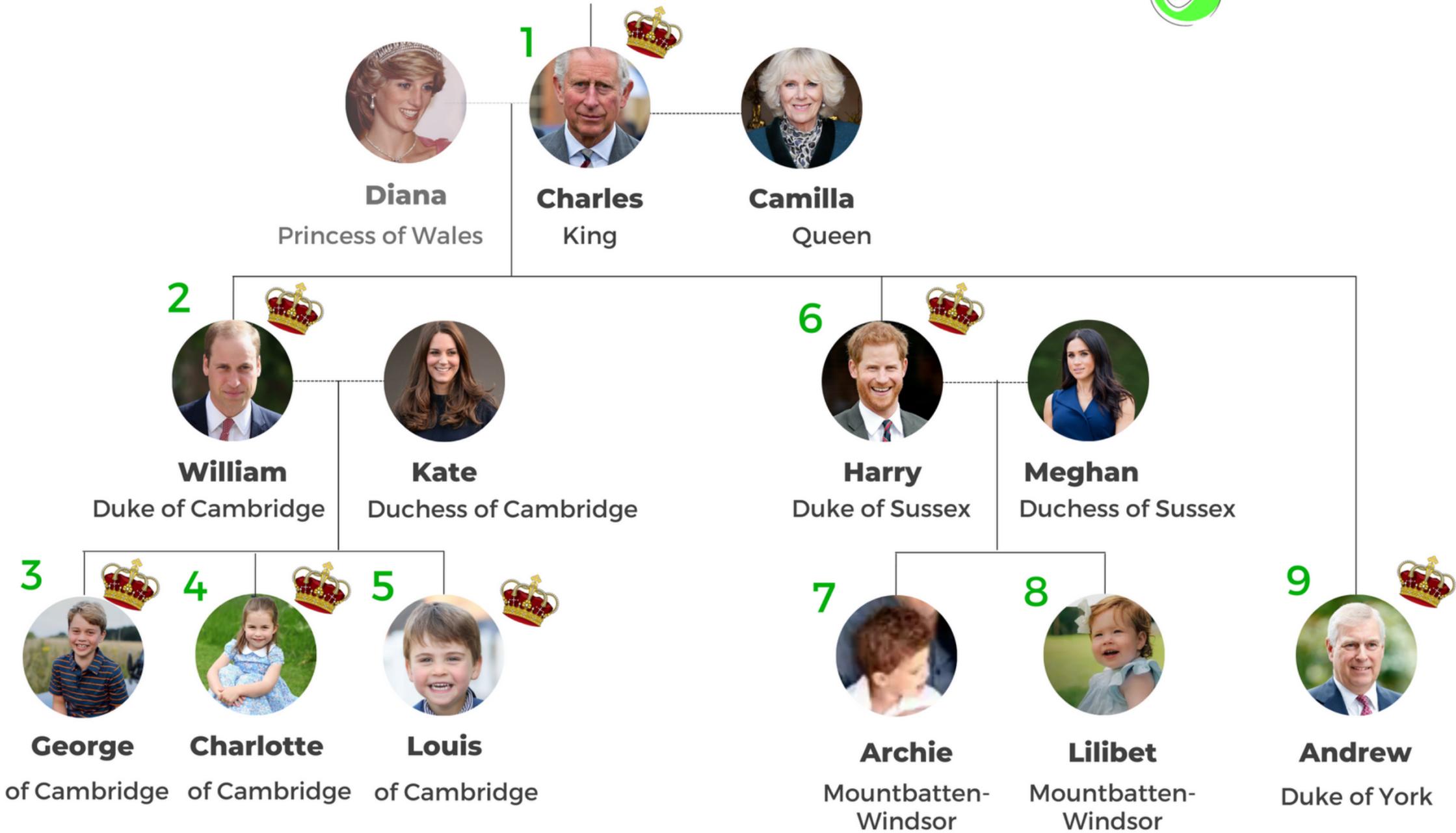
Tell your Client to get started!!!

- Use the LightYear Docs booklets which can be found in the Success Hub - if you can't find it ask support on Surge to show you where it is
- Great tool to get clients thinking about the importance of testamentary trusts and the Family Home Protector
- We will provide links along with this webinar replay for you
- For Board Certified SAPEPAA Advisers there are a lot of client communication tools for you to use
- And for ChangeGPS users Tim has some awesome stuff coming very, very soon



The Key - Build a Strong Line of Succession

British Monarchy Line of Succession



Line of Succession - Tips and Traps

- For business companies - ensure that the SD is a business manager
- Trustee companies - is there such a thing as a "no risk" person
- Executor should not be the same person as the Director on the corporate trustee of the Family Protection Trust - Re Permewan
- Have you completed a line of succession for second generation FPT split trusts??????

John Smith



Sally Smith



Dad - Bill Smith



Brother - Sam

Company Asset Protection

- Successor Director should be employed for all your companies
- What are your current percentages of employment?
- Any client that does not agree to SD solution get them to sign Deed of Indemnity - new All Purposes Indemnity coming out soon
- Each style of company should have different types of SD - trustee company, SMSF trustee company, bucket company and trading company
- And don't forget the shares - what are you going to do with them? Can you transfer to SMSF for ultimate asset protection????



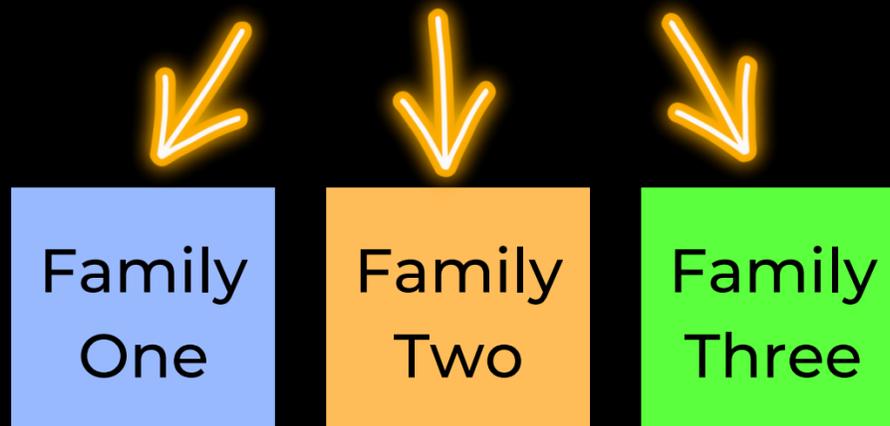
Multi-Generational Leading Member Trust

Leading Member
Corporate Trustee

Leading Member
Trust

Line of Succession

- LMA
- Successor LMA
- 2nd Successor LMA
- 3rd Successor LMA



- More than a Discretionary Trust
- Built to protect family wealth for bloodline
- The key is the Leading Member Appointor (LMA)
- Important to have a line of generational successor LMAs
- Multi-generational and forever
- Holds all of the family wealth
- On death it splits into family groups - appointors and trustees
- No resettlement if you convert in line with ATO rules TD2012/21

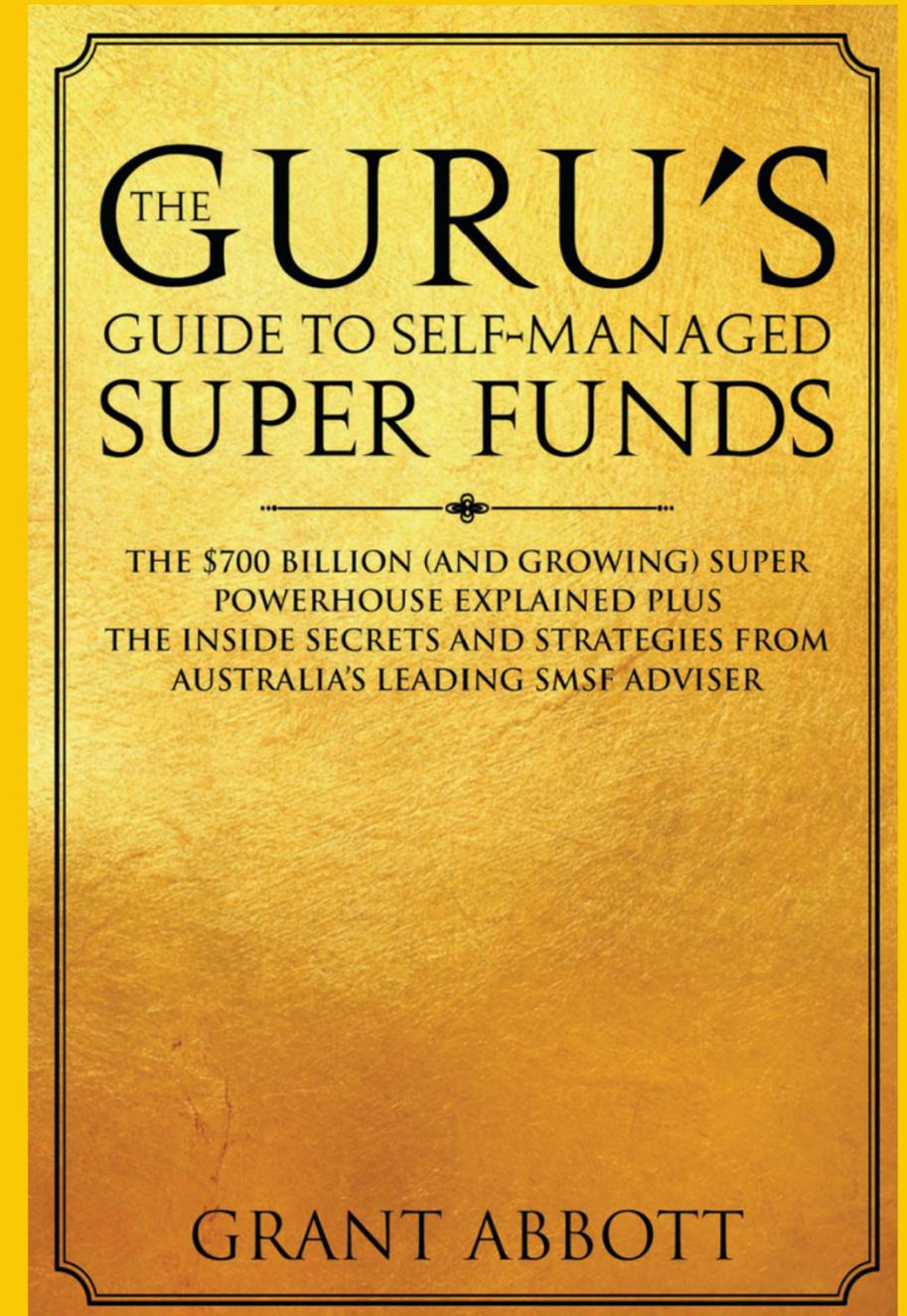
Estate Planning Asset Protection - Create Will with All Purposes Testamentary Trust

- Over 50% of Wills get challenged and can be insolvent
- But always needs a plan B
- The assets of the estate are administered by the administrator and the Executor
- Insert assets or cash into trusts:
 - for the benefit of the family
 - for separate beneficiaries
 - with protection from litigation, family law and contested Wills



Auto-reversionary pension v SMSF Will v BDBN

- Auto-reversionary pensions protect from family provisions claims - can go multi-generational and provide instant cash flow on death
- BDBNs are weak as they do not provide instant cash flow, can be challenged - Ellisal case took three years to finalise in the Courts plus only look at percentages of assets
- SMSF Will makes you administrator, pay out directly into a Testamentary Trust and pay out assets as well to specified family or beneficiaries



Protector Review - protecting family wealth into a FPT with no duty or CGT

Line of Succession

- LMA
- Successor LMA
- 2nd Successor LMA
- 3rd Successor LMA

**Leading Member
Corporate Trustee**

**Leading Member
Trust**

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LOAN



GIFT

Bloodline and lineage beneficiaries

GIFTER AND BORROWER



Determine Net Wealth on ALL Assets

Three Prizes for Today

- For a free on-line SAPEPAA Accreditation Course - one drawn randomly - email talitha@lightyeardocs.com.au with heading SAPEPAA Accreditation Course prize - gift for non-prize winners
winners@lightyeardocs.com.au with heading SAPEPAA Accreditation Course prize - gift for non-prize winners
- One hour Protective Estate Planning training with me for your office - contact ben@lightyeardocs.com.au with heading Protective Estate Planning Prize
- One hour personalised training on how to use AI to complete letters of advice, client information on any tax, newspaper articles, press releases, super or estate planning topic, tax research, websites, brand your estate planning offering, build client business plans, develop detailed SWOT analysis and create minutes on the fly - contact nush@abbottmourly.com.au

Abbott & Mourly Legal Back Office

How it Works



Advisory firm excites the client with what is possible



Send Client background to AM App for review noting it is LBO



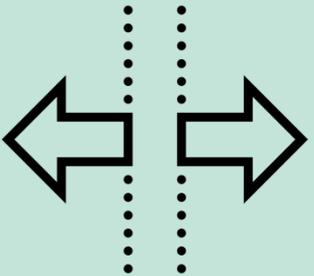
AM will develop a joint proposal for you to present to the client



Adviser sits with client to complete the data capture



AM Lawyers prepare the documentation for client review and completion



Client fee split between - AM - 50% and Adviser 50% depending on the size

Next Steps

- Real Estate Planning is the advising of the future - here - right now
- Use the tools and template documents on LightYear Docs which are provided by Abbott & Mourly Lawyers or use LBO
- **Make sure you register for future advanced strategy events**
- **Book accommodation for Phuket and register for the conference**



"If someone offers you an amazing opportunity and you're not sure you can do it, say yes - then learn how to do it later."

- Richard Branson