

# PROTECTIVE SMSF ESTATE PLANNING



Protecting Family  
Wealth for Generations

with Grant Abbott LightYear  
Training Group

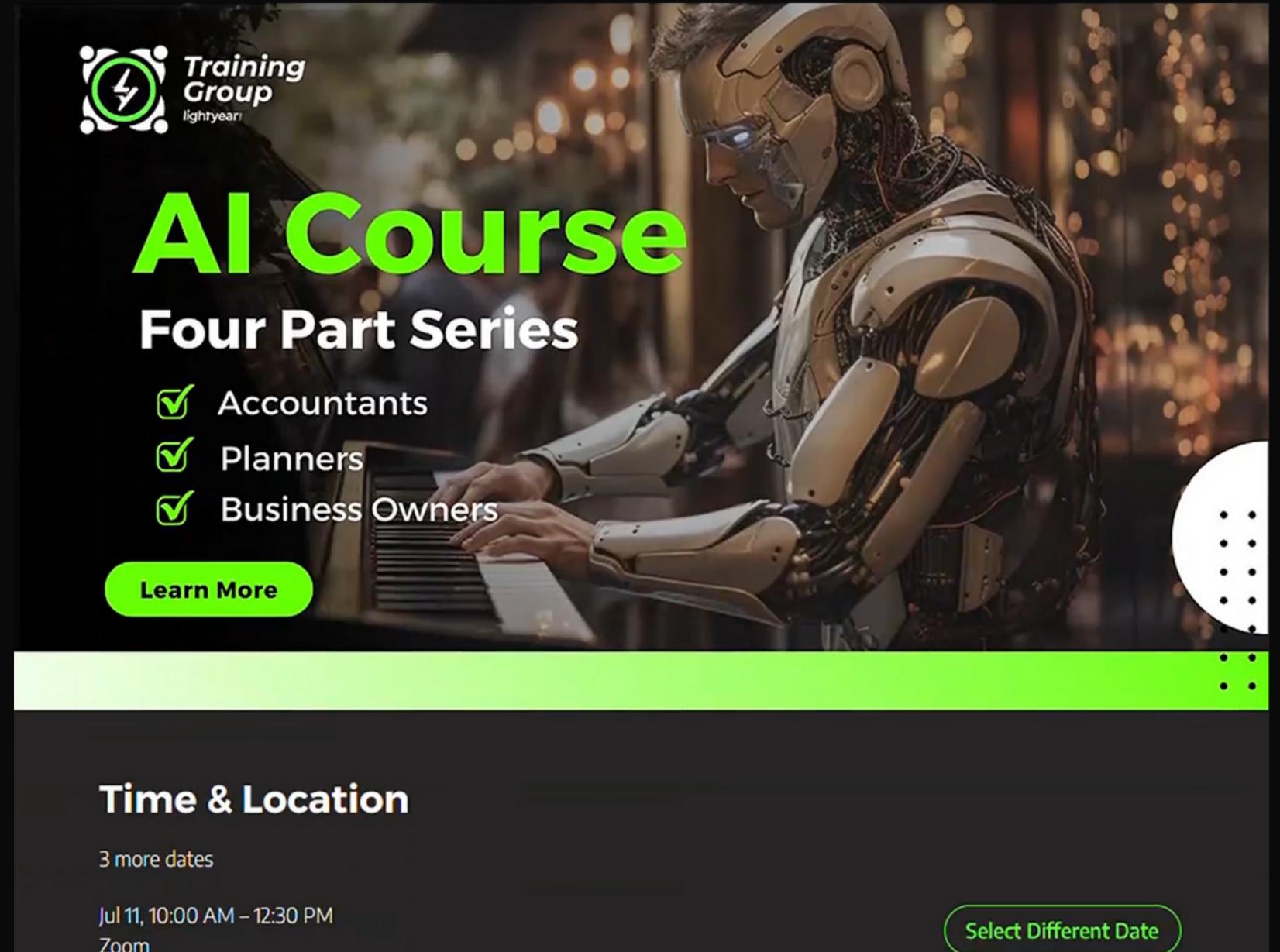


"There is more than \$400Bn in SMSF death benefits which will be transferred over the next 25 years and much of it will be contested.

The question for all SMSF advisers is do you want to risk being involved in litigation - directly or indirectly or prefer to go the Protective SMSF Estate Planning route?"



Make sure you join me  
on 11 July 2023 for four  
weekly sessions on how  
to use Generative AI in  
your practice to enhance  
what you do and reduce  
administration costs -  
contact  
[ben@lightyeardocs.com.au](mailto:ben@lightyeardocs.com.au)  
to be at the forefront  
of being an AI Practice



The graphic features a futuristic robot with a human-like face and glowing eyes, sitting at a desk and typing on a laptop. The background is a blurred city street at night with bokeh lights. The text is overlaid on the left side of the image.

**Training Group**  
lightyear

# AI Course

## Four Part Series

- ✓ Accountants
- ✓ Planners
- ✓ Business Owners

[Learn More](#)

### Time & Location

3 more dates

Jul 11, 10:00 AM – 12:30 PM  
Zoom

[Select Different Date](#)

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

1. SMSF with sole director company dies and no process to insert the Executor as a director
2. SMSF embroiled in four years litigation as the shares of the Trustee company were in the Executor's name but would not act for fear of legal repercussions
3. BDBN blew up because the planner had used a BDBN produced by their AFSL which did not match the required BDBN in the deed
4. Remaining spouse faced financial hardship as the pension was not reversionary and caught in family provisions claim
5. Ellisal's case where a lost deed was litigated for three years before a \$1 was paid out



# Why is Protective Estate Planning is so important?

- There is more than \$4.2 Trillion to pass between generations over the next 30 years and \$400BN in SMSFs - it is a booming gold mine for lawyers
- It is not just Wills but Trusts, Companies, SMSFs, Superannuation and even Joint Assets
- And a simple Will or BDBN 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?

# THE BIG SMSF ISSUES



- Cash flow on death - how will the family survive
- What does the deed and constitution of the SMSF trust deed allow
- Does the client want to protect death benefits for bloodline
- Should a Leading Member Discretionary Trust be used not a SMSF for accumulation?



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 Siraya Bay Phuket Thailand - Book before  
Accommodation goes

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

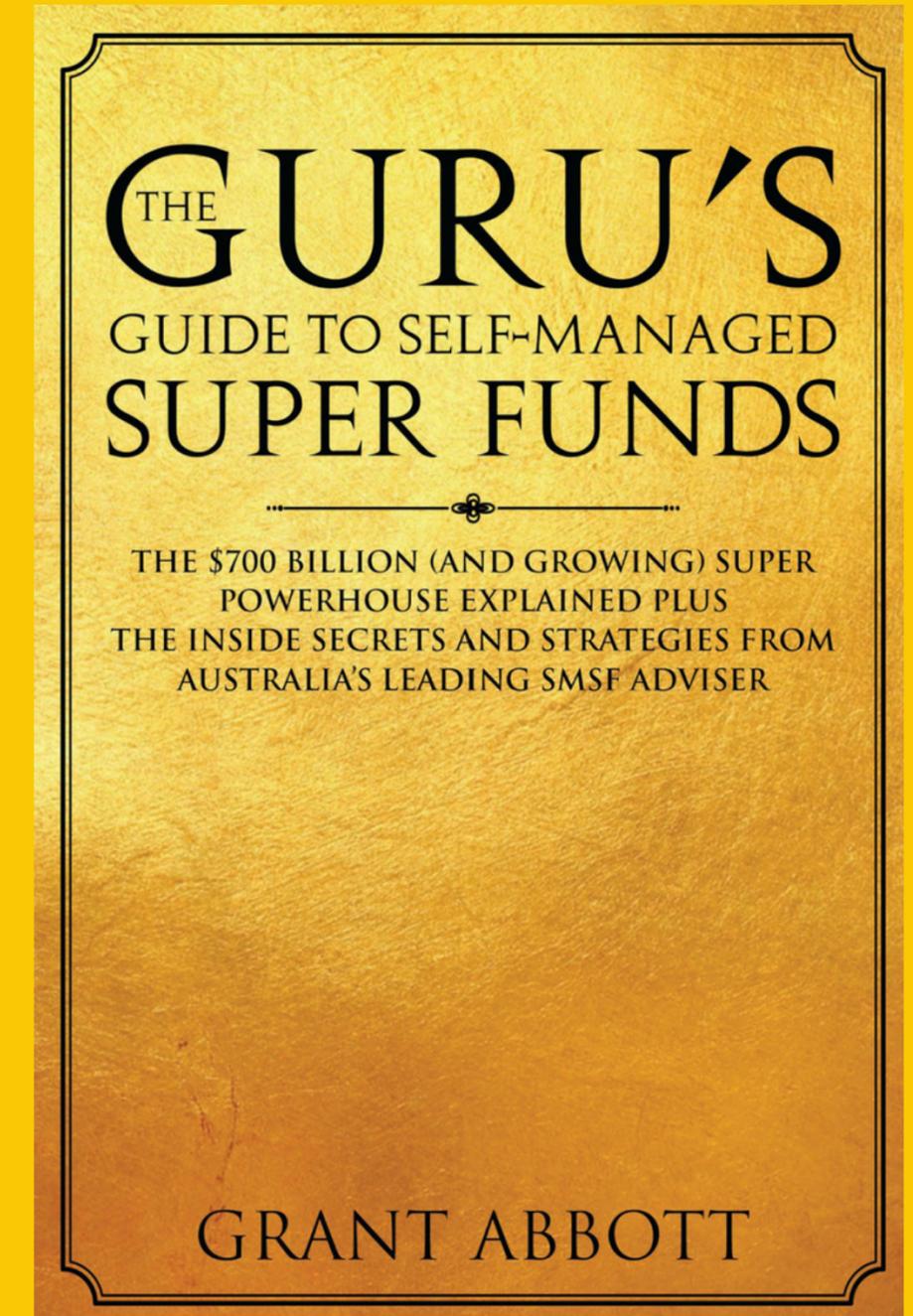
# Who is a Dependant?



- SIS and Tax Dependents are different
- Tax dependents taxed at 17% on taxable component
- Malek and Faull's case
- ATO has released a number of Private Binding Rulings on the subject
- Review of ATO ruling: Adult children as dependants

# Auto-reversionary pensions

- Auto-reversionary pensions must be established according to the Governing Rules of the Fund
- As the pension passes directly to the next beneficiary its protect from family provisions claims(including notional estate)
- Can go multi-generational - look for dependants
- Provide instant cash flow on death
- But caught up in Family Law and Bankruptcy



# BDBN or SMSF Will with a TT - Benefits

- Asset protection
- Protect against family provisions claims
- Can be limited to bloodline beneficiaries
- Provide tax benefits for minors
- Protect against bankruptcy, litigation and family law
- Longevity and even perpetual
- Control rests with Appointors
- Flexibility with income and capital streaming



# Multi-Generational Leading Member Trust to complement SMSF

## 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

# Wrap Up

Make sure you are in the Strategist Division of LightYear Docs where all the good documents are kept

SMSF Will with TT launched on 7 August webinar

LightYear Training Group is relaunched tomorrow

Do the SMSF Specialisation course on demand for three days with me on 14 August - only one this financial year

Generative AI is going to be SO BIG - please be in front of it and do the four week series

Check Abbott & Mourly Lawyers Linked-In page which is dedicated to a strategic theme from problems to solutions each week