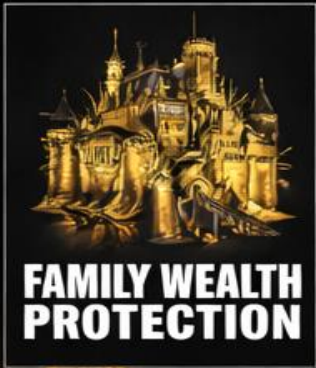
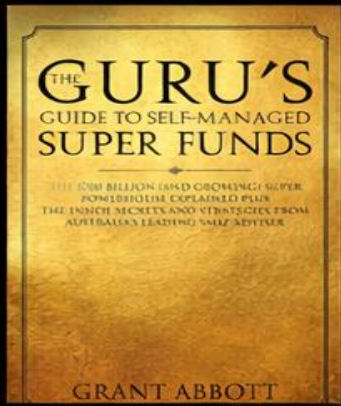


Family Wealth Protection and SMSFs - where we are going

with Grant Abbott,
Chair of LightYear
Group and SAPEPAA





FAMILY WEALTH AND SMSF PROTECTION FOR YOUR BLOODLINE

with Grant Abbott,
Chair of LightYear Group and
SAPEPAA



The Five Waves hitting Australia all at once

- ▶ Property prices are spiraling downward - this is a “hold your breath” moment and we saw it before when Hawke- Keating did the same thing. The put it simply - we have been on a loose lending binge and now the tide is going out.
- ▶ AI is creeping slowly - like all new generational changes - how far it goes we will wait and see but for those of you already using Tax Guru you can see how much change it will bring - and this is only the start. But if middle management is laid off - that accelerates the fall in property prices
- ▶ China bailed us out in the GFC as they went on a once in a 100-year debt fueled binge to accelerate their GDP to the US - but know they have diversified their resource suppliers and Australia is losing its grip quickly
- ▶ The NDIS and Aged Care are run away trains - trying to rein in NDIS is all but impossible and the Baby Boomers - 5M of them have not hit aged care life yet and we cant cope now
- ▶ Wealth taxes are on the cards - negative gearing out, SMSF borrowing for residential property gone, capital gains tax at 30% minimum - discretionary trusts to be taxed at minimum 30% - to come death taxes - tax on mansions - wealth taxes - family home thresholds for assets test pension purposes

Protect your Family's Castle
— from all Invaders —



The Company Problem

- ▶ If you act as a Director of a company and become incapacitated, are sued or upon your death, wherever the company resides is in significant problems
- ▶ This is because your directorship ceases when you are incapacitated or die, and personal liability may rein in the company for your personal legal issues
- ▶ ASIC, the Australian companies regulator has issued a guidance statement 73 that provides a warning to directors and especially sole directors and sole shareholders. See part of that guidance over

ASIC Guidance 73 for Directors

During that period when there is no director, the company may be completely unable to operate. With no-one properly authorized to make management decisions or act for the company, it may be unable to trade. Banks and other financial institutions in particular may be unwilling to accept instructions in relation to a company's trading account if they are not satisfied there is someone properly authorized to act for it. Equally, staff and suppliers may not be able to be paid, which can quickly have a deleterious effect on the reputation and value of the company to the beneficiaries of the estate.

The Successor Director Solution

- ▶ If your company constitution allows you may set in train the strategy that a person or persons you nominate as a Successor Director are to take your place
 - ▶ In the event of incapacity
 - ▶ Upon your death
 - ▶ In the event of bankruptcy
 - ▶ At your choosing
- ▶ The Successor Director is appointed pursuant to minutes and takes your place as a director ensuring continuity of business or management operations of a trustee company
- ▶ Can be achieved directly or through a special purpose enduring power of attorney

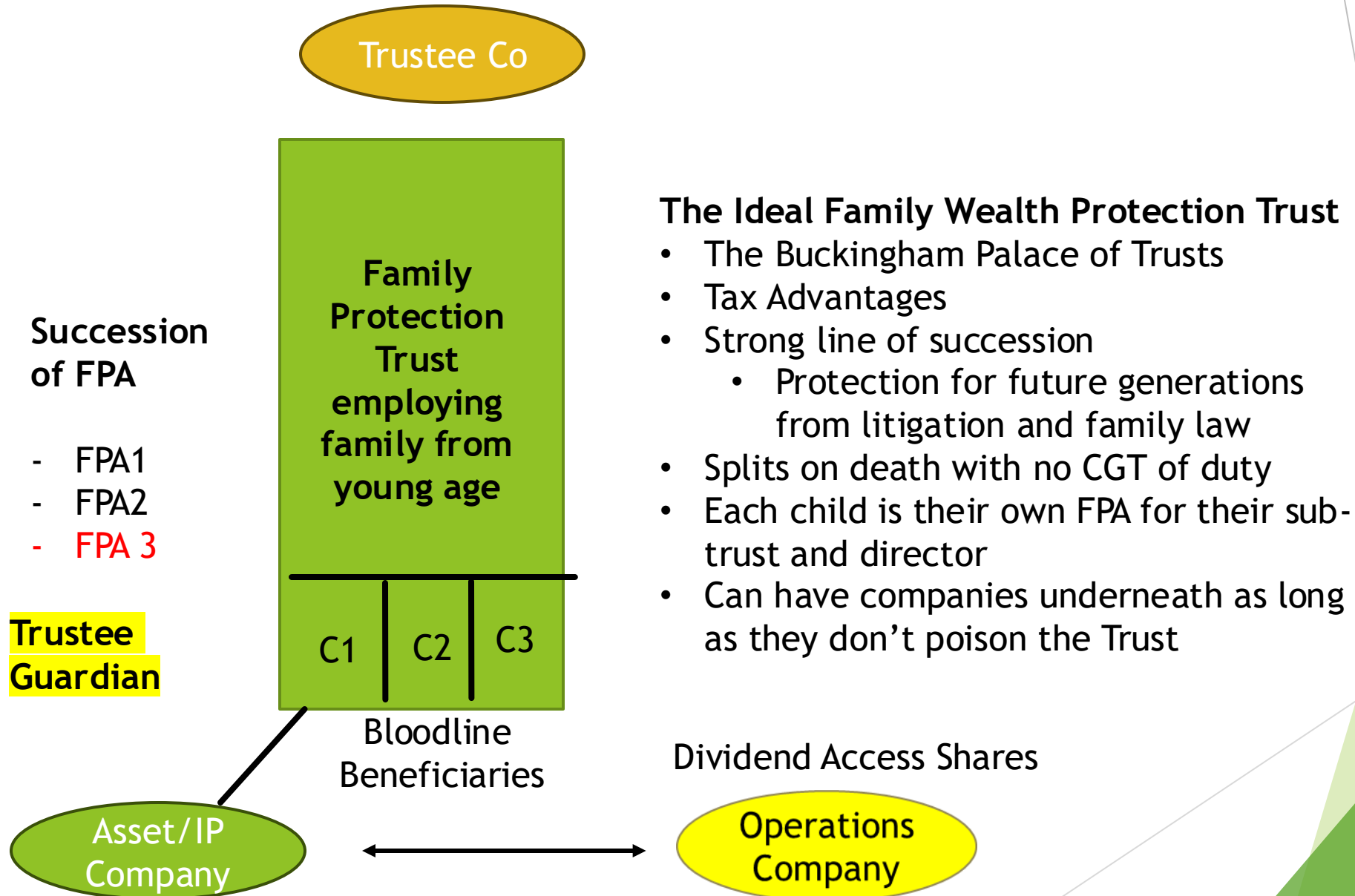
The problems of Assets in our own names

- ▶ Australian taxation laws are built for us to hold assets in our own names from the capital gains tax principal place of residence exemption for our family home to negative gearing benefits for investment properties in our own name
- ▶ BUT having assets in our own name means we are exposed in the case of any legal suit
- ▶ In addition putting assets in our spouse's name is problematic if there is a separation or divorce
- ▶ Finally any Will or testamentary trust can be overturned with a family provisions claim for any person who feels as though they have been left out of your Will or not looked after properly

FAMILY PROTECTION TRUST



The Family Protection Trust



The Ideal Family Wealth Protection Trust

- The Buckingham Palace of Trusts
- Tax Advantages
- Strong line of succession
 - Protection for future generations from litigation and family law
- Splits on death with no CGT of duty
- Each child is their own FPA for their sub-trust and director
- Can have companies underneath as long as they don't poison the Trust

Dividend Access Shares

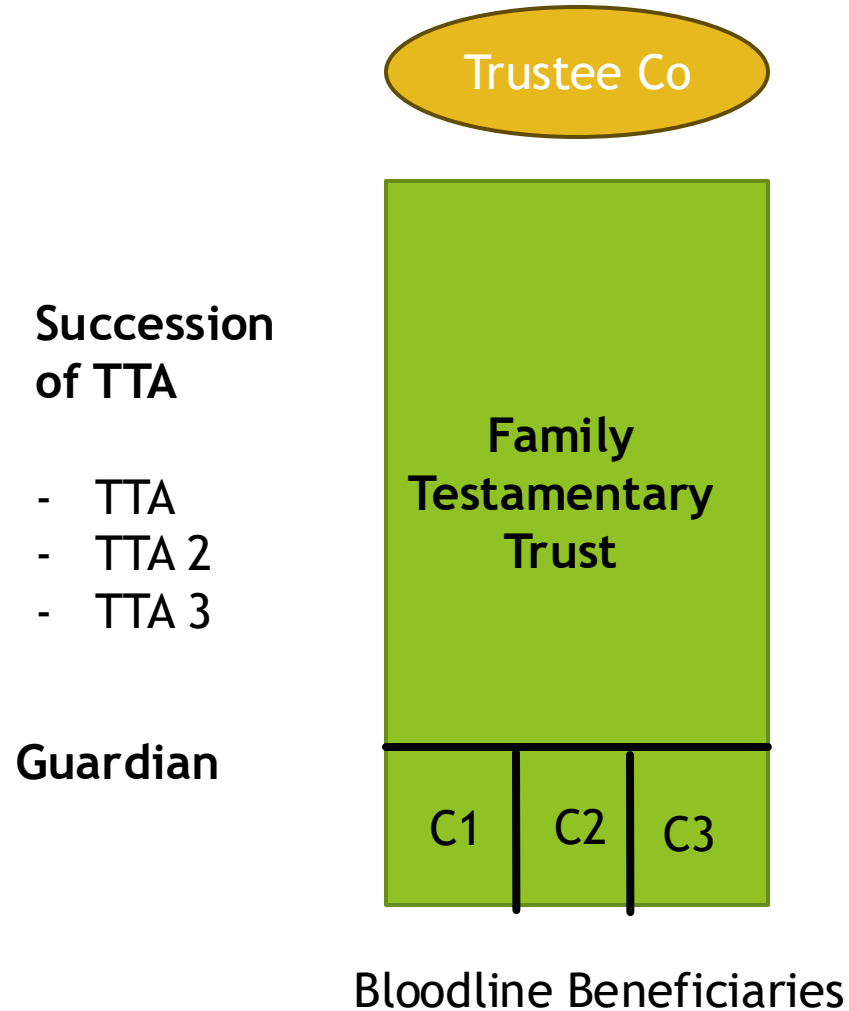
A detailed illustration of a heavy, dark metal vault door with a circular porthole. Inside the porthole, a scroll is unrolled, displaying text in a classic serif font. The scroll is set against a background of a vaulted interior filled with gold bars. The entire scene is framed by a white border on a green background.

Last Will & Testament



**Protective
Testamentary
Trust**

The Family Testamentary Trust



The Ideal Family Wealth Protection Trust

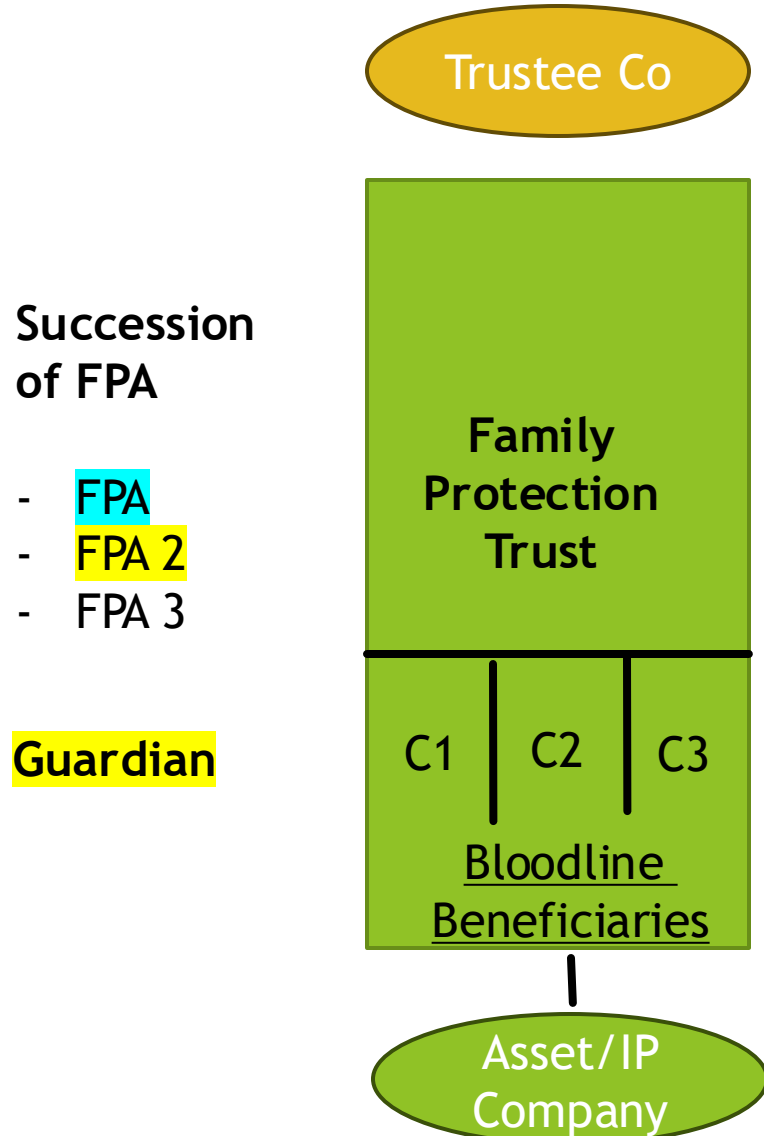
- The Buckingham Palace of Trusts
- Tax Advantages
- Strong line of succession
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- Splits on death with no CGT of duty
- Each child is their own FPA for their sub-trust and director
- Can have companies underneath as long as they dont poison the Trust



Bitcoin

**CRYPTO
PROTECTION TRUST**

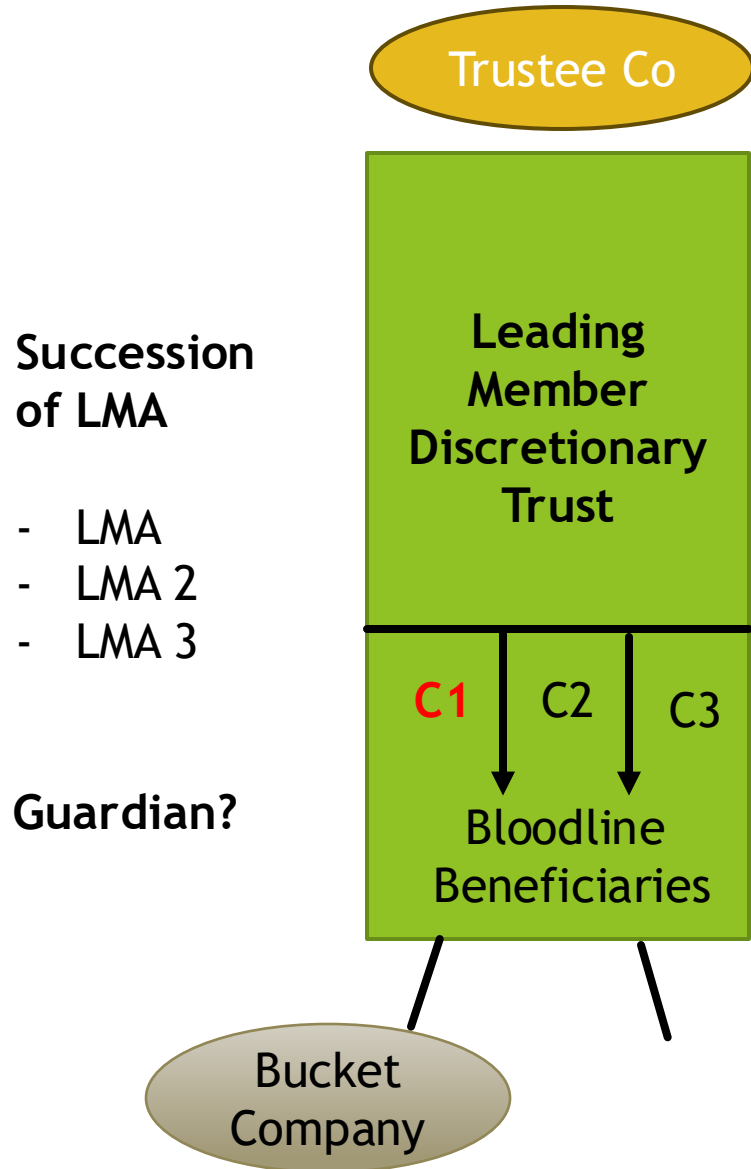
The Family Crypto Protection Trust



The Ideal Family Wealth Protection Trust

- The Buckingham Palace of Trusts
- Tax Advantages
- Strong line of succession
- Protection for future generations from litigation and family law
- Splits on death with no CGT or duty
- Each child is their own FPA for their sub-trust and director
- Can have companies underneath as long as they don't poison the Trust

The Leading Member Discretionary Trust



The Ideal Family Wealth Protection Trust for Business Operations

- The Kensington Palace of Trusts
- Tax Advantages
- Strong line of succession
- Protection for future generations from litigation and family law
- Splits on death with no CGT of duty
- Each child is their own FPA for their sub-trust and director
- Can have companies underneath as long as they don't poison the Trust

The Waterfall Will

**Family
Protection
Trust**

**Testamentary
Trust**

**The
Protector**



WILL + GUARDIAN



GUARDIAN

Company Trustee

The Protector



Gift and Loan Back Takeover

Living Trust

Succession of FPA

- FPA
- FPA 2
- FPA 3

- Cash
- Jewellery
- Cars
- Property

Trustee Co



Bloodline Beneficiaries

On Death

Succession of TTA

- TTA
- TTA 2
- TTA 3

GUARDIAN
Trustee Co



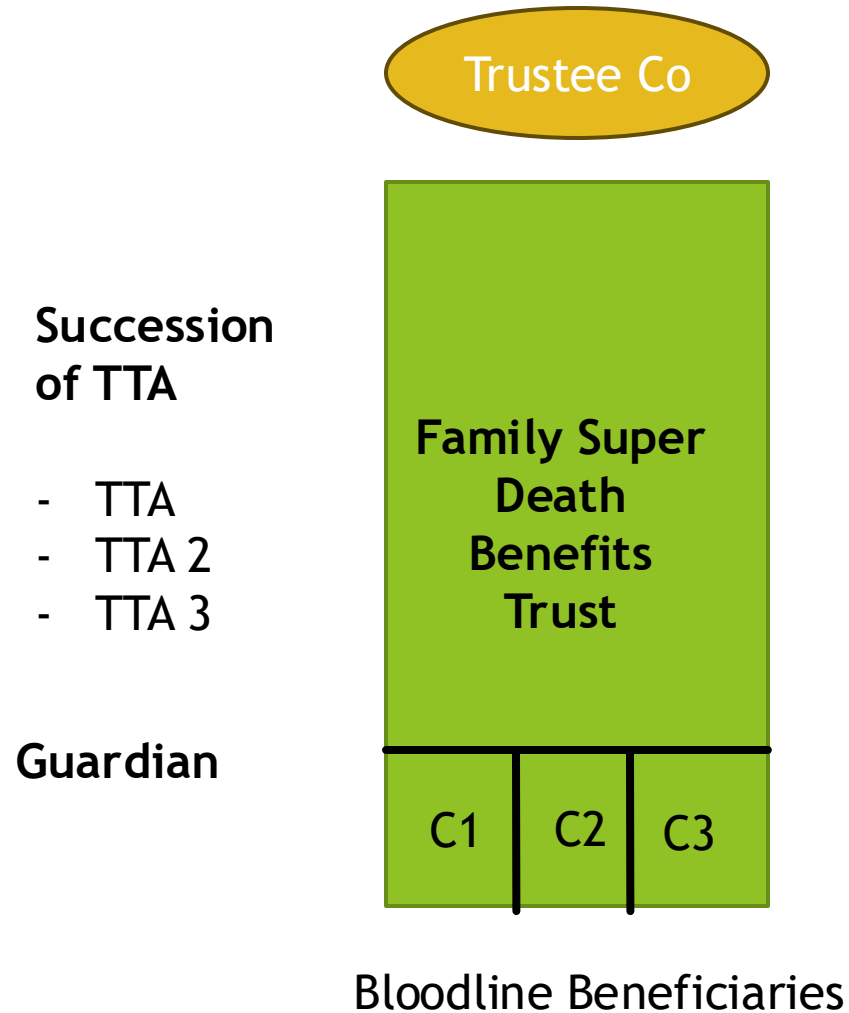
Bloodline Beneficiaries



SMSF

**SUPER DEATH
BENEFITS TRUST**

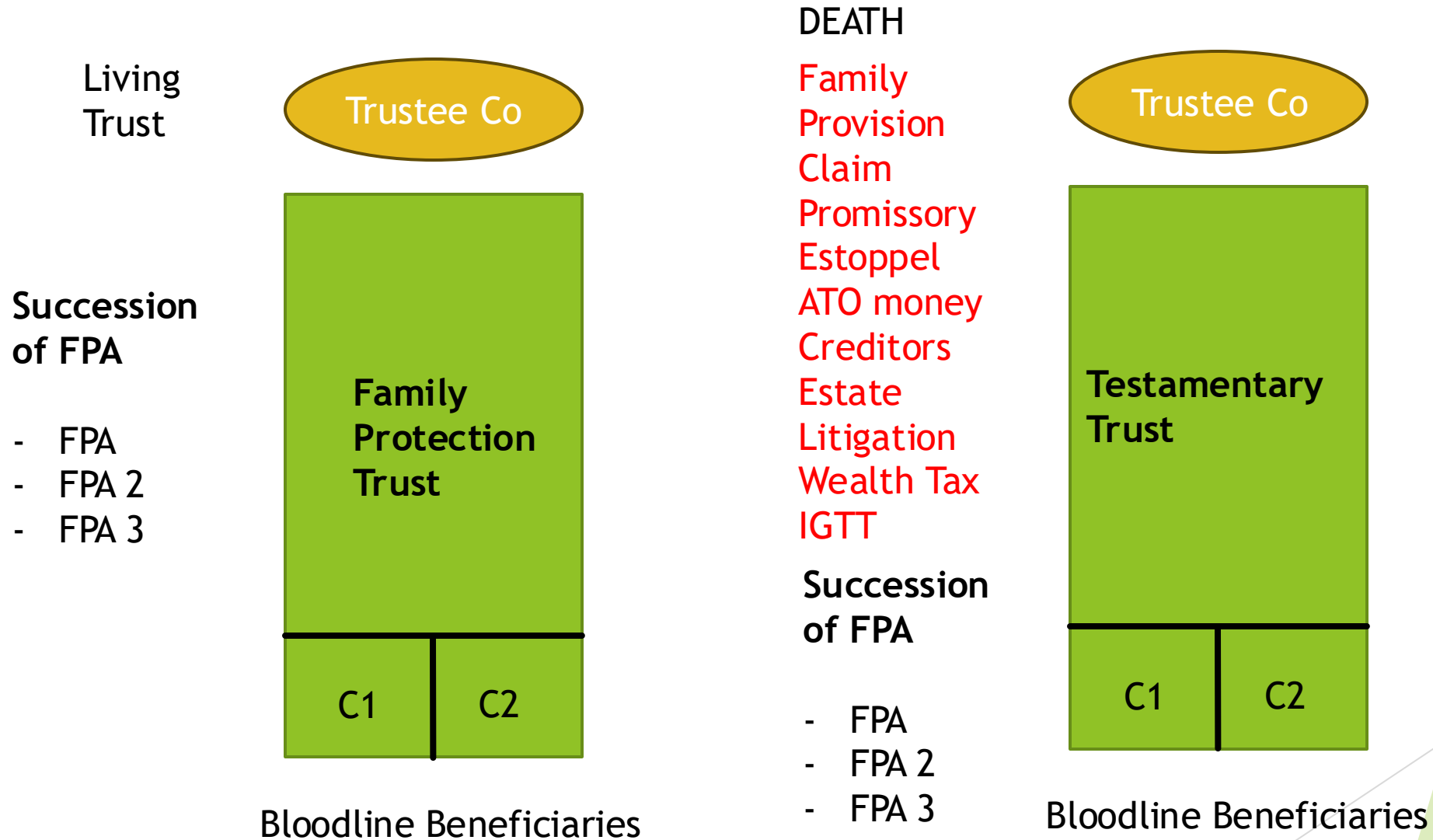
The Family Super Death Benefits Trust



The Ideal Family Wealth Protection Trust

- The Buckingham Palace of Trusts
- Tax Advantages
- Strong line of succession
- Protection for future generations from litigation and family law
- Splits on death with no CGT of duty
- Each child is their own FPA for their sub-trust and director
- Can have companies underneath as long as they dont poison the Trust

The Family Protection Trust

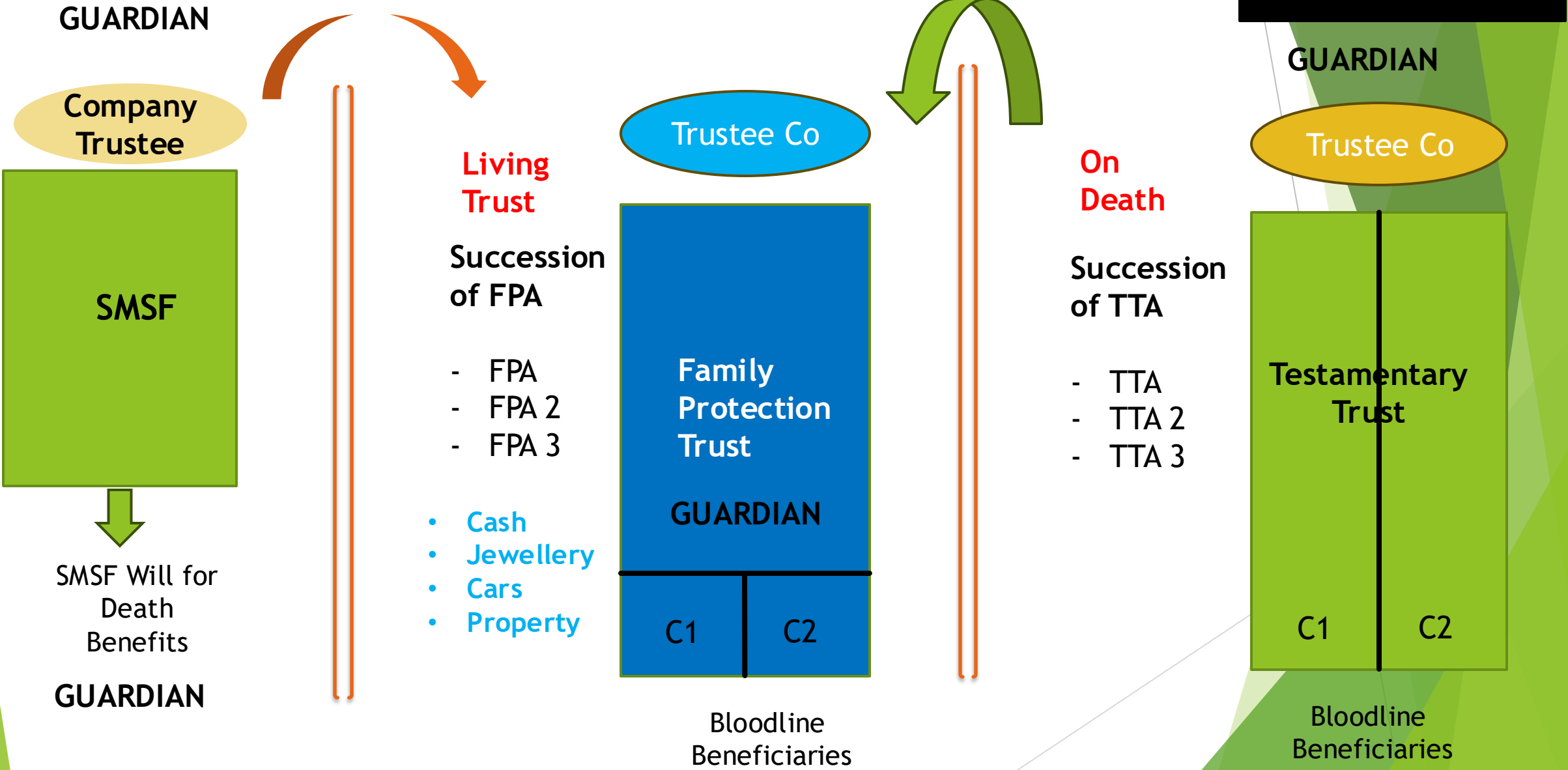




THE GUARDIAN

The Protector when you are not here

The Role of the Guardian





THE PROTECTOR

Protecting Family Wealth

The Protector

Succession of FPA

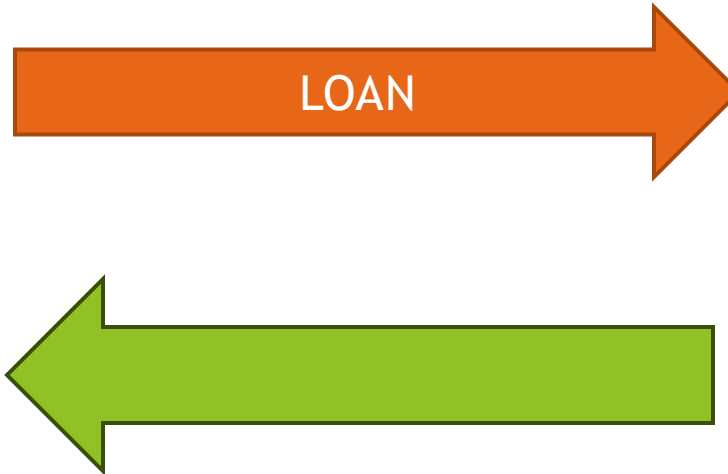
- Tommy
- Anna
- Will



Option at MV time of strategy

Bloodline Beneficiaries

Make some repayment
On the loan



Gift with Cash or
Promissory Note



"Honestly, boss, I'm at home in bed sick. That noise? Um, I'm watching a show about Porsches."



Asset	Net Value
Home	\$1,000,000
Watch	\$50,000
Crypto	\$250,000
Shares	\$300,000
Total	\$1,600,000

The Advanced Protector

Succession of FPA

- FPA
- 2nd FPA
- 3rd FPA



Option at MV time of strategy

Bloodline Beneficiaries

Make some repayment
On the loan



Gift with Cash from
Offset Account

Family Home -
PPR - 100% @
0% interest



Investment
Property - 100% @
MV interest

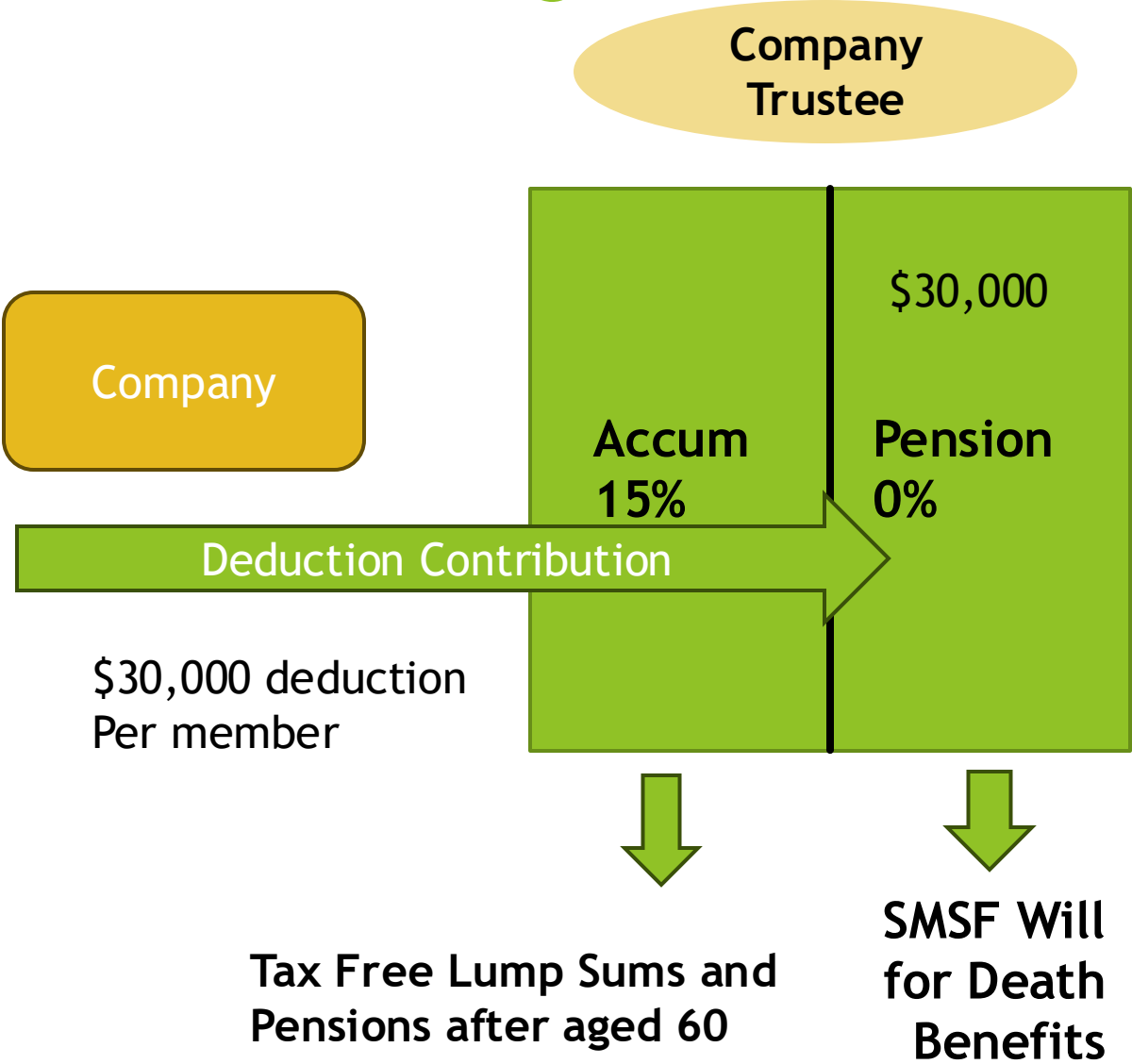


Asset	Net Equity
Home	\$1,000,000
Investment Property	\$600,000
Total	\$1,600,000



Family SMSF Strategies

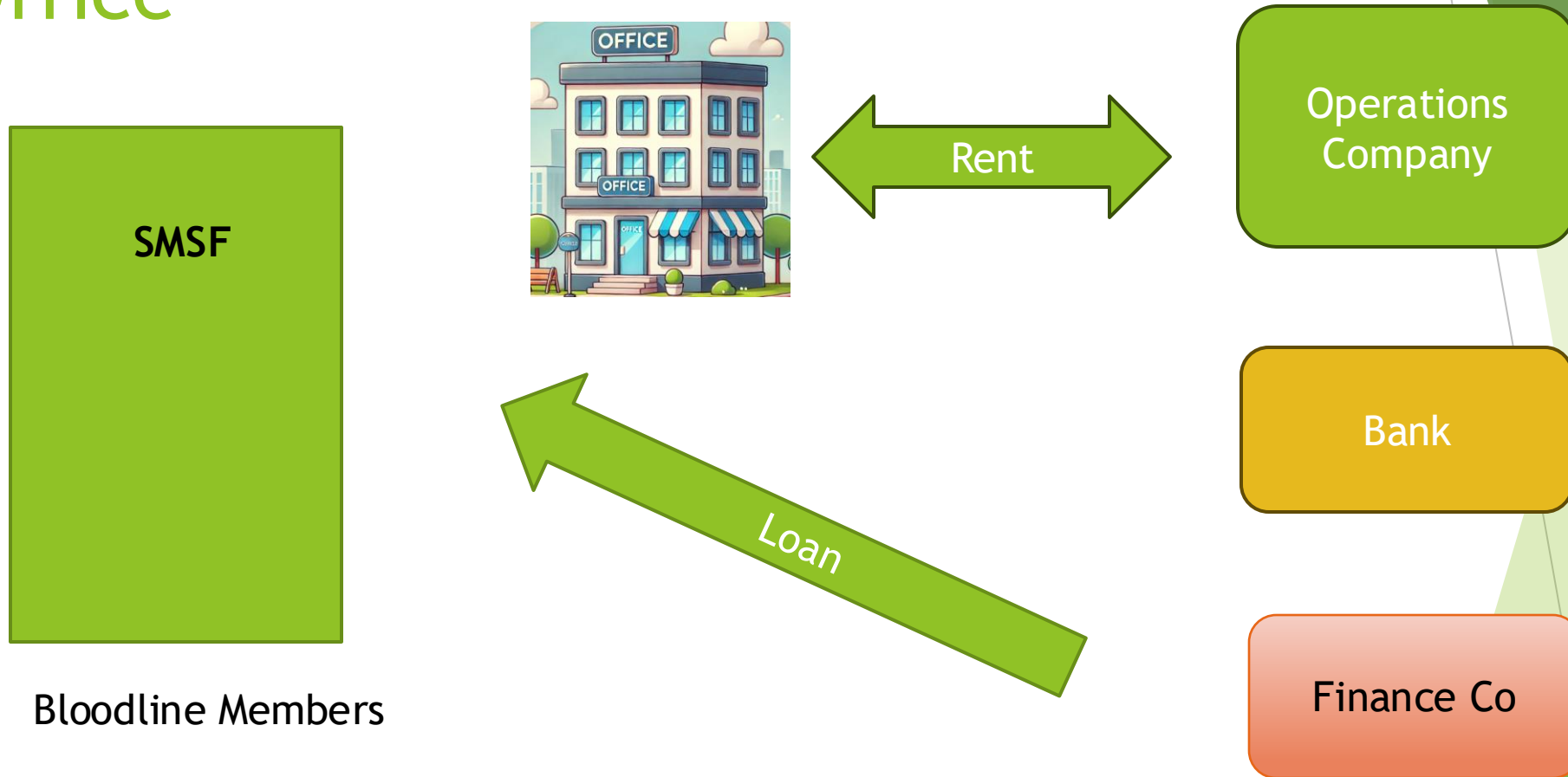
SMSF Strategies



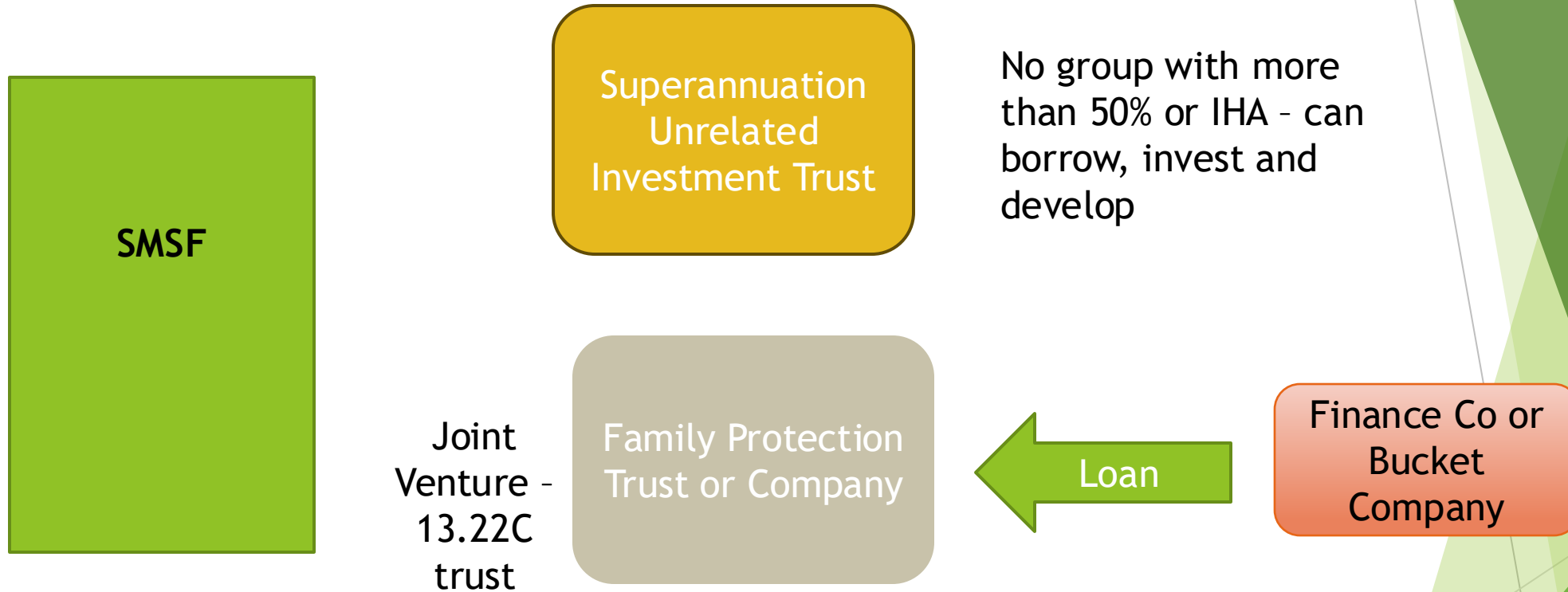
Rental Income
0%
Capital Gains Tax
Free

\$50,000
\$15,000
\$65,000

Using Super to buy a Factory, Farm or Office



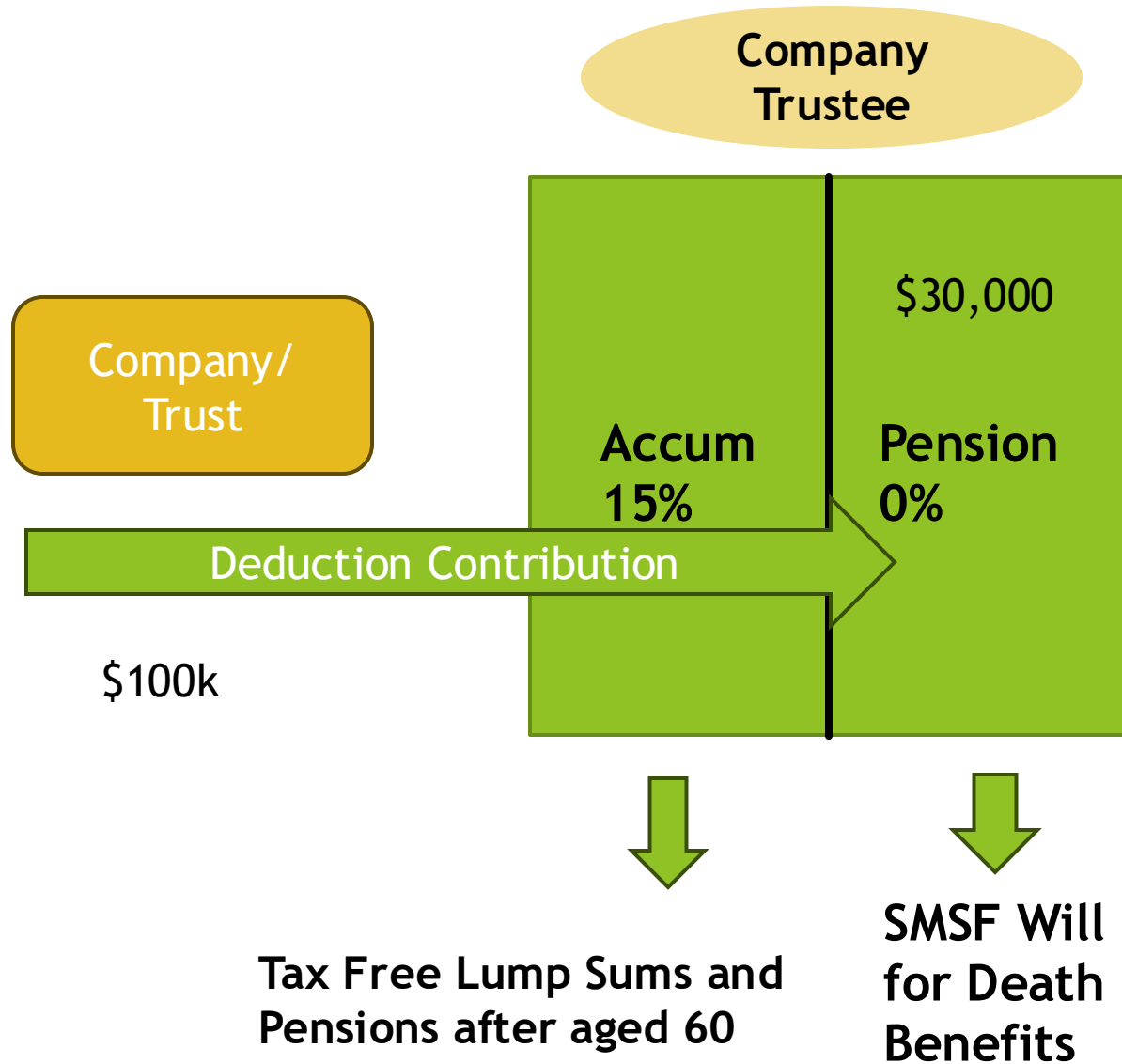
Property Development and JVs for Residential



Contribution Strategies for 30 June 2026

- ▶ Look at client taxable income and slice in deductible contributions
- ▶ First is are there any children wanting a first home deposit? If so then distribute from a trust \$15,000 and they contribute as a deductible first home saver super deposit. Get up to \$50,000 and pull it out
- ▶ Next step is to look up and at parents - employ them or distribute and with the 15% tax offset and \$1,800 tax offset for low income earners then you can clean out \$75K ABOVE the current \$30kK - just watch social security
- ▶ And don't forget about pre-paying contributions - three year rule or into 2027 from June for concessional contributions

SMSF Strategies



\$100,000
\$30,000
\$70,000 - ECC

1. Make that in 2026 - lodge Personal and SMSF returns in May 27 July - \$70,000 added back - raises amended assessment for 2026 BUT 15% tax offset. Interestingly can take 85% out of ECC
2. June 2026 then you can put \$70K into a Suspense account - paid out in July 2026 and Then assessed for 2027 so pay in 2028!!!

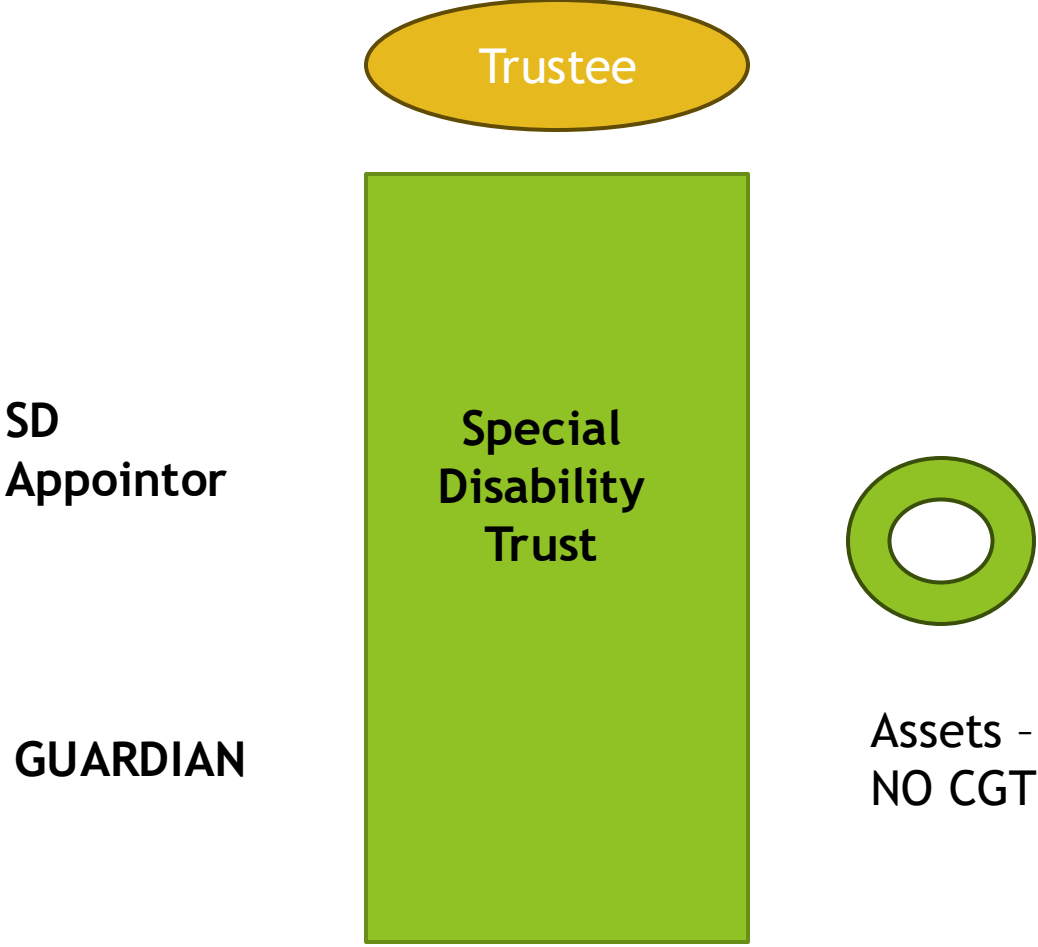
SPECIAL DISABILITY TRUST

TAX AND CENTRELINK BENEFITS

SDT
SECURE
FUTURE
PROTECTED

PROVIDING
LIFELONG
FINANCIAL SECURITY
AND CARE WITHOUT
AFFECTING TAX
OR CENTRELINK
BENEFITS

Special Disability Trust



Family Home ++

\$832,000 Assets Test Exempt

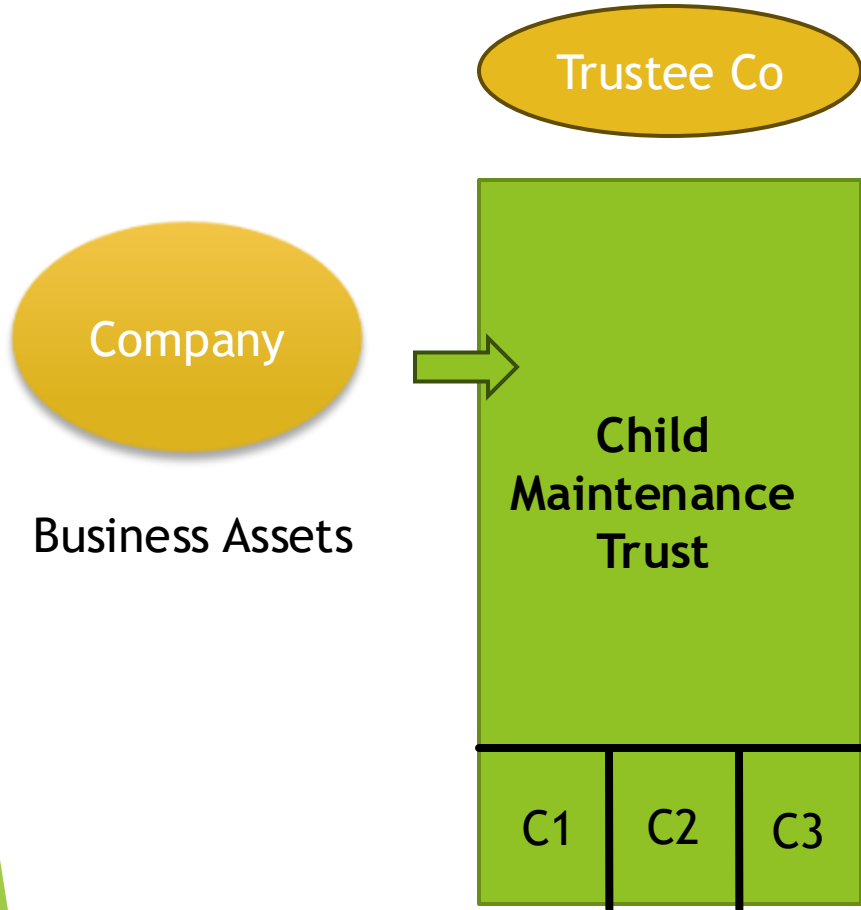
TAX DEDUCTIBLE CHILD SUPPORT



BUSINESS

**FOR
CHILD SUPPORT**

Child Maintenance Trust



The Ideal Child Support Vehicle

- Asset into the Trust
- Tax Advantages - ATO ruling in 1998
- For the Children
- Protection for assets from litigation
- Splits on death dealt with by intestacy laws
- Children are taxed at adult rates
- \$1,100