Fin·Ed

Free Financial Education
for Our Community

Part 15
of 15

The Estate Planning Checklist – Have You Covered All the Bases?

Have you covered all the bases?

Published:
Category: Estates
Reading Time: 7-8 minutes

Estate Planning Checklist – Have You Covered All the Bases?

Estate Planning Is Not a Document – It Is a Process

Many people believe they have completed their estate planning because they have signed a Last Will and Testament.

While a valid Will is an essential component of any estate plan, it is only one piece of a much larger puzzle.

True estate planning involves ensuring that your assets are protected, your wishes can be carried out efficiently, your family is financially secure, and unnecessary costs, taxes, delays and complications are minimised.

The purpose of this final article in our Estate Planning Series is to help you determine whether you have addressed the most important estate planning considerations.

Use this checklist as a guide to identify potential gaps in your planning.

1. Last Will and Testament

Have you:

☐ Signed a valid and up-to-date Will?

☐ Appointed an executor?

☐ Appointed a guardian for minor children?

☐ Clearly identified beneficiaries?

☐ Reviewed your Will within the last three years?

☐ Updated your Will following major life events such as marriage, divorce, the birth of a child, or the acquisition of significant assets?

Your Will remains the foundation of your estate plan.

2. Estate Liquidity

Have you considered:

☐ How estate expenses will be paid?

☐ Whether your estate will have sufficient cash available?

☐ Executor's fees?

☐ Estate duty?

☐ Capital gains tax?

☐ Transfer costs on property?

☐ Outstanding debts?

A common estate planning failure occurs when estates own valuable assets but insufficient cash to settle liabilities and administration costs. This often forces heirs to sell assets that the deceased intended to keep within the family.

3. Beneficiary Nominations

Have you reviewed:

☐ Retirement Annuity Funds?

☐ Pension Funds?

☐ Provident Funds?

☐ Preservation Funds?

☐ Living Annuities?

☐ Endowment Policies?

☐ Life Insurance Policies?

Beneficiary nominations should be reviewed regularly to ensure they remain aligned with your wishes.

Remember that many of these assets fall outside your estate and are distributed according to beneficiary nominations rather than your Will.

4. Family Protection

Have you considered:

☐ Adequate life insurance?

☐ Disability cover?

☐ Income protection?

☐ Critical illness cover?

☐ Funding for children's education?

☐ Provision for financially dependent family members?

Estate planning is not only about what happens after death. It also involves protecting your family during your lifetime.

5. Property Planning

Have you considered:

☐ How your property will transfer to beneficiaries?

☐ The costs associated with the transfer?

☐ Whether property ownership structures remain appropriate?

☐ Whether a family company or trust structure may be beneficial?

☐ Whether property ownership creates unnecessary estate duty exposure?

Property often represents a significant portion of an individual's wealth and requires careful planning.

6. Trust Planning

If you have a trust:

☐ Is the trust actively administered?

☐ Are annual trustee meetings conducted?

☐ Are trust resolutions maintained?

☐ Are trust financial statements prepared?

☐ Are trust tax returns submitted?

☐ Are trustee appointments current?

☐ Are trust assets appropriately recorded?

A poorly administered trust can create significant legal and tax risks.

7. Loan Account Planning

Have you reviewed:

☐ Loan accounts owing to you by a company?

☐ Loan accounts owing to you by a trust?

☐ Section 7C implications?

☐ Donation strategies?

☐ Estate duty exposure created by loan accounts?

Credit loan accounts are assets in your estate and should form part of your estate planning review.

8. Tax Planning

Have you considered:

☐ Estate duty implications?

☐ Capital gains tax on death?

☐ Transfer duty consequences?

☐ Income tax implications?

☐ The tax treatment of trusts?

☐ Opportunities to reduce future estate duty?

Proactive planning can significantly reduce the tax burden on your estate and beneficiaries.

9. Business Succession Planning

If you own a business:

☐ Is there a succession plan?

☐ Is there a buy-and-sell agreement?

☐ Is the agreement properly funded?

☐ Have business valuations been updated?

☐ Is key person insurance in place?

☐ Do family members understand the succession plan?

Many family businesses fail to survive the death of the founder due to inadequate succession planning.

10. Financial Records and Documentation

Can your family easily locate:

☐ Your Will?

☐ Insurance policies?

☐ Investment statements?

☐ Property documents?

☐ Company records?

☐ Trust documents?

☐ Tax records?

☐ Bank account details?

☐ Contact details for your professional advisers?

Keeping accurate records can save your family significant stress during an already difficult time.

11. Digital Assets

Have you considered:

☐ Online banking accounts?

☐ Investment platforms?

☐ Social media accounts?

☐ Email accounts?

☐ Cloud storage?

☐ Password management?

☐ Cryptocurrency holdings?

As our lives become increasingly digital, these assets should form part of your estate planning process.

12. Retirement Planning

Have you considered:

☐ Whether your retirement capital is sufficient?

☐ Beneficiary nominations on retirement products?

☐ Income sustainability during retirement?

☐ Healthcare funding during retirement?

☐ Long-term care requirements?

Estate planning and retirement planning are closely linked.

Your Estate Planning Health Score

Count the number of boxes you can confidently tick.

90% – 100%

Excellent.

Your affairs appear well organised. Continue reviewing your estate plan regularly.

70% – 89%

Good.

Most major areas appear covered, but there may still be opportunities to improve your planning.

50% – 69%

Needs Attention.

There are likely several areas where your estate planning could be strengthened.

Below 50%

Immediate Review Recommended.

Your family may face unnecessary costs, delays or complications if your affairs are not reviewed and updated.

Final Thoughts

Estate planning is ultimately an act of care.

It is not about preparing for death. It is about protecting the people you care about most and ensuring that the wealth you have worked hard to build is transferred efficiently and according to your wishes.

The best estate plans do not happen by accident. They are created through careful thought, regular reviews and professional guidance.

If you have worked through this checklist and identified areas of concern, now is the ideal time to address them. Because the best time to do estate planning is before your family needs it.

FinEd – Empowering Better Financial Decisions Through Education

This article is intended for educational purposes only and should not be construed as financial, tax, accounting or legal advice. Professional advice should be obtained before implementing any strategy discussed in this article.

