

## ESTATE PLANNING

Children are natural noisemakers, they would quarrel over toys, food and etc. We, as adults, are quite similar. We carry ourselves with a competitive attitude and because of this, we often argue over trivial matters. Just like our fingers, they are all of the different lengths, different people may perceive fairness differently. Hence, there is a need to make comprehensive and detailed estate planning because to preserve and pass on every single asset and property to our loved ones is not an easy task.

There is no specific formulation or method as to estate planning. The basic idea revolves around the intention of the testator as to who he wishes to benefit. In the making of a Will, one must consider his intentions, family background and needs. Hence, we would discover that there are many different types of estate planning tools. However, only the testator is able to explain why they come out with such desires.

**Below are the considerations which you need to think of before you start your estate planning:**

1. Before deciding who is your next business successor, you must consider his capability, performance, interest, attitude and etc. Commonly, most people try to assign their assets to their beneficiaries evenly. However, comprehensive estate planning involves considering properties, personalities, intellectual properties, future property and many more. It must reflect the testator's wishes and objectives.
2. Another important consideration is, what if the testator and beneficiary passed away at the same time? Preparation must be made for such a possibility. Many have realized human's frailty through the 911 incident in New York or more recently, the MH 370 incident that happened to Malaysia Airlines. The uncertainties and unexpected events in life make us realize the vulnerability of human's life. These are the thoughts people are sensitive and afraid to explore. Hence, it would be ideal to make preparation.

3. If one's assets consist only of savings, shares, insurance, trust funds and other personalities, then, estate planning would be easy. However, the norm is most of us own real properties, land and business empires. To pre-plan such bulk of the estate, we must first categorize the type of assets then, identify the potential and suitable beneficiaries for each asset. For example, to pass on one's business to a beneficiary who does not have any experience or knowledge about such business is not ideal.
4. In deciding whether to pass on the business to one's children or spouse directly, the following factors must be considered:

- **The level of trust towards the spouse**

Some of the people may not choose to pass their estate to their spouses because they are worried that their spouses do not have the capability to handle the financial affair, they may be deceived by others easily or if their spouses are too young, chances for them to get remarry are high.

- **The level of trust towards the children**

Nowadays, most of the parents no longer believe that by taking care of their children, their children would then look after them during their golden age in return. Hence, many have chosen to pass their business to their spouses in order to safeguard their interest when they retire. Upon the demise of their spouses then only, would the business transfer to their intended beneficiaries or children.

- **Those who are assigning their assets to minors**

If you have debts, it is best not to pass those assets to your minors directly. The idea is simple, for example, minors do not have the financial ability to pay up the mortgage of the property hence, leading to an order of sale from the bank. To safeguard the interest of the minors, it is more ideal to pass assets that are cleared of any debt, something that could be preserved for a longer-term.

- **Taking care of beneficiaries who are special or who do not know how to manage finance**

Some parents are worried that their children would simply spend all their hard-earned assets away as they are not good at financial management. If the testator is worried about such incident, he could set up a term in the Will to distribute the funds to the beneficiaries periodically. They could even

determine the beneficiaries' lifestyle and assign a fixed sum to be distributed periodically, rather than in lump sum payment. They could set up a trust fund to cater to the beneficiaries' basic needs in periodical payments for a stipulated duration or until certain conditions, such as tertiary graduation, marriage or giving birth are satisfied then only, transfer the remaining to them.