

Wills and Estate Administration after the PRA

INTRODUCTION	1
The Property (Relationships) Act 1976 impact on wills and succession planning	1
Different approach	1
Wills	2
Legal advice	3
Costs	3
Property acquisition	4
Asset protection and succession	4
Seminar chapters	5
1. THE PROPERTY RELATIONSHIPS ACT - WILLS INSTRUCTIONS - QUESTIONS THAT NEED TO BE ASKED	7
Introduction	7
Legal practice planning steps	7
<i>Client – testator</i>	9
<i>Current domestic relationships</i>	9
<i>Requirements and concerns of the family</i>	15
<i>Assets</i>	15
<i>Liabilities</i>	19
<i>Executors</i>	20
<i>Foreign property</i>	21
<i>Promises</i>	21
<i>Mutual wills</i>	21
<i>Execution of the will</i>	22
2. WILL DRAFTING TIPS	23
Instructions/explanatory notes	23
Balancing claims - what is relevant?	24
<i>The size of the estate</i>	24
<i>The lifestyle of the testator, partner/spouse and children</i>	24
<i>Other claimants and their proximity to the testator</i>	24
<i>The ages and circumstances of beneficiaries</i>	24
<i>The conduct of the parties</i>	25
<i>Provision made during the testator’s lifetime and contributions made by beneficiaries to the testator while still alive</i>	25
Provision for a beneficiary’s trust	25
Choice and number of trustees	26
Marriage dissolution v termination of relationship	27
Excluded assets	28
Separate interviews	28

Life interests	29
Checking the facts	31
Testamentary capacity	32
Provision for charities	34
Contrary intention - s 76	34
3. DIVISION OF PROPERTY ON DEATH	37
Introduction	37
Procedure	37
<i>Option A:</i>	37
<i>Option B:</i>	37
Elections	38
Time Limits	39
Choice irrevocable:	39
Setting aside the choice of option	39
The effect of electing option A	40
Distribution of estates	41
Rebuttable presumption	42
Impact of the rebuttable presumption	42
Multiple relationships	44
Administration Act	45
Family Protection Act	46
Estate Administration Check List	47
Distributions	48
4. ADVISING SURVIVORS	49
Conflicts	49
Consents to early distribution	50
Option A	50
Option B	52
What else should you consider?	53
<i>Notices of claim</i>	53
<i>Section 87 PRA</i>	53
<i>Caveats</i>	53
<i>Multiple partners</i>	54
<i>Intestacy</i>	55
Jointly owned property - survivorship	55
Further advice	56
Section 21 agreements	56
<i>Separation and division of property - s 21A</i>	56
<i>Contracting out agreements</i>	56
Section 21 agreements to accelerate gifting	58
Can attorneys or property managers sign section 21 agreements?	59

<i>Attorneys</i>	59
<i>Property managers</i>	59
5. CONCLUSION	61
Repositioning what of the future?	61
<i>Introduction</i>	61
<i>Social change</i>	61
<i>The client's agenda</i>	62
<i>Threats to the profession</i>	62
<i>Targeting the client base</i>	62
<i>Property acquired by succession – section 10</i>	64
Section 21 agreements	66
International will drafting	66
<i>Forced heirship versus testamentary freedom</i>	67
<i>Matrimonial property sharing regimes</i>	67
<i>Recognition of trusts and personal representative – trustees</i>	67
<i>Tax</i>	68
<i>Conclusion</i>	68
APPENDIX 1 - Succession Planning Client Information Sheet	69
APPENDIX 2 - Explanatory note	77
APPENDIX 3 - Notice of choice of option	79
APPENDIX 4 - Notice of claim to interest	83
APPENDIX 5 - Surviving spouse - documents and details	85