

Let your will reflect your wishes

Compiled by Group Advisory Services

A will is one of your most important financial documents. Ensure that you have one in place and that it reflects your wishes.

Why is it important to have a will?

A will is a document that describes your wishes about what happens to your assets should you pass away. Because you build up a wealth of assets during your lifetime, a will is a vital document and is a fundamental part of any financial plan. It is important that this is valid and kept up to date.

Perhaps most importantly, a will is crucial in protecting your family, especially minor children. If you do not have a will, your estate will be settled “*intestate*”, which means that the person you intended to receive certain assets may not actually receive them. A valid will ensures that a person called an executor is appointed so that the estate is administered effectively, according to your desires.

A will that is well thought out not only gives effect to your wishes but can also minimize the amount of estate duty, capital gains tax and executors fees which can significantly reduce the size of your assets that you leave to your family. It will also prevent confusion and heartache amongst family members.

Who can make a will?

Anyone who is over the age of 16 and understands what he is doing can make a will. A will must be signed by the testator (the person making the will) and by two competent witnesses. Although not a legal requirement, it is advisable to have the will dated.

What to include if you have minor children

- Stipulate who will be the children’s guardian. This person will be responsible for their day-to-day care but may not be the ideal person to take care of their financial well being.
- A testamentary trust can be created in your will. This can ensure that those assets are only used for the benefit of your children’s well-being. The assets will be managed by the trustees, who you can appoint, on their behalf. A testamentary trust is simple to create and allows you a certain degree of control over what will happen to the funds.
- In setting up the trust you can dictate the mandate of the trustees. For example you can stipulate that you would like a certain amount to be available to the children as monthly maintenance; however the capital is to remain intact with a portion paid to them at the age of 23 and the balance at the age of 25.
- A trust would also prevent assets from falling into the Guardians’ Fund. This Fund takes care of the funds of, amongst others, minors who cannot look after their own affairs. The funds are invested with the Public Investment Commission. There is R4 billion in the Guardian’s fund. The minor may claim maintenance from the Fund and the Fund Master may pay all the interest

that has accrued up to an amount of R100 000 of the capital received. If the minor requires more than this he may only access it with approval from the Court. The rules of this Fund are not flexible and may not provide for your children as you would have wished.

Speak to your financial advisor

Your financial advisor can assist you with drawing up your will, and ensuring that it is updated in line with your financial plan.