

BLENDING FAMILIES

The blended family has become one of the fastest growing demographic categories in Australian society. The term “blended family” is not a legal term, but a general way to describe a family resulting from the marriage of two people, one or both whom has a child or children from a previous marriage. Blended families often present unique and difficult issues when estate planning.

Disagreements over funeral arrangements.

Arranging a loved one’s funeral can be stressful. Family members can have very different ideas about what the service should be like - eg burial or cremation. It’s a good idea to resolve these issues beforehand - funeral arrangements can be made well in advance and specific instructions included in your will.

Who gets the family heirlooms?

Arguments over who should get what often arise. By bequeathing items to specific people these difficult situations may be avoided.

Step children can miss out entirely.

You need to be very specific when putting together your will if either you or your partner have step children.

For Example

Lauren and Luke were married. They each had a child from previous relationships. Lauren and Luke prepared similar wills giving their entire estate to each other and upon their death, to the two children in equal shares. Lauren died and after her death, Luke’s relationship with Lauren’s child deteriorated. Luke was able to change his will and leave the entire estate to his own child. Lauren’s child was left out altogether.

This may have been avoided if Lauren had done any or all of the following:

- taken out a life insurance policy in favour of her child
- made a binding nomination in respect of her superannuation that death benefits be payable to her child
- created a separate trust for the benefit of her child
- made an outright gift to her child.

When the step mum is a lot younger children can miss out

Again, it’s important to set up a proper will to ensure that your wealth is distributed the way you want.

Example

Andrew (68) marries Candice (23). Andrew’s will stipulates that, on his death, his estate shall pass to Candice during her life and then, upon her death, to his children from his first marriage. Andrew’s children may never see any of the inheritance as Candice would probably outlive them. Andrew could have set up separate trusts for his children setting aside some of his assets for them, with the remainder to go to Candice.

It's important to balance the competing and conflicting claims of all the family members.

These are just two examples of what can go wrong. Expert advice can help you avoid some of the competing and conflicting claims your family may have and achieve a more orderly, equitable and compassionate distribution of your assets. It can also help preserve relationships which would otherwise be ruined by jealousy and animosity.

CB Financial Pty Ltd ABN 84 120 482 313 is a Corporate Authorised Representative No. 303961 of Guardianfp Ltd (known as Guardian Advice) ABN 40 003 677 334 AFSL & ACL 237641.

The information provided in this newsletter is general information only. It has been prepared without taking into account your individual objectives, financial situation or needs. Before acting on this information you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. CB Financial can assist you in determining the appropriateness of any product mentioned in this newsletter. You should obtain a Product Disclosure Statement relating to the products mentioned in this newsletter, before making any decision about whether to acquire any of the products mentioned.

A: L 8 / 300 Ann Street, Brisbane 4001
E: advisorsupport@cbfinancial.com.au

P: (07) 3223 6000
www.cbfinancial.com.au