



FTL Estate Services

Protecting and Nurturing Wealth

Understanding Assets

An important aspect in estate planning is to confirm the ownership of assets and to gain an understanding of the consequence death will have upon them.

The following information is not exhaustive and reliance must not be made at an individual level. Should your current asset structure require attention, please seek advice. The transfer of ownership of some assets may incur state or federal government duties and taxes.

Assets - How Held	What would happen on death?
In sole name	Forms an asset of the estate, controlled by the Will.
Held as Joint Tenants	Passes to the surviving owner(s).
Held as Tenants in Common	The share the deceased person holds as Tenant in Common will form an asset of the estate under the Will. Typically, this form of ownership (e.g. real estate & investments), is often held by couples in second marriages/de facto relationships and also by partners in business relationships.
Life policies - owned over the life of another	On the death of the owner, the policy will form an asset of the owner's estate and can be transferred to the beneficiary entitled under the Will.
Superannuation	Where lump sum entitlements (including death cover) are payable, the rules of the superannuation fund will dictate the destination of the proceeds. Otherwise, the trustees of the superannuation fund will elect to make payment under discretionary powers – usually to a nearest next-of-kin (spouse, dependent children). Some funds permit binding nominations to be received in favour of a spouse, children or your estate. If paid to your estate, the proceeds will form an asset and distributed under the terms of the Will. The entitlement of persons to allocated pensions or annuities are either controlled under the rules of specific funds or through binding nominations.
Family Trusts	The assets of the trust do not form an asset of a deceased estate. However, under a Will, a testator who is also the Appointor of the Trust, can appoint a new Appointor to continue the Trust after his/her death.
Private Companies	Only the shares held by an individual along with any amount held to the deceased's credit in the loan account of a company will be distributed under a Will – not the assets of the company.
Partnerships	Generally the written partnership agreement will provide entitlements of surviving partners to acquire the deceased's interest in the partnership. Where no written agreement is in place, the relevant governing partnership act will apply.