

WHAT IS INTERGENERATIONAL WEALTH PLANNING?

Intergenerational wealth planning needs to be reviewed regularly with Family professional advisors. Communication with family members is important when implementing an effective plan. It is critical to regularly review the underlying plan and wishes. In a dynamic world laws change and one wants to avoid unintended consequences by reviewing estate planning agreements to ensure they comply with the current legal framework and avoid unnecessary tax events.

Some factors and circumstances that you may need to consider when developing an Intergenerational Wealth Plan (IWP) include:

- Will and living will. Are they up to date?
- Trusts. Do they contain current powers to enable the plan? Have the trustees been kept up to date?
- Investment advisors. There is a need to review investment strategies over time as needs change.
- Tax advice. Has current tax advice been sought to minimize the exposure to tax and stamp duties, as laws do change.
- Have family members met the professional advisors? Contact information is vital.
- Education costs – Are there intentions for children or grandchildren fees for university or college intended and is this documented?
- Are there any specific bequests or intentions and are these documented?
- Where is the location of critical documents and who has access?

If you are a business owner, you must take into consideration your succession planning or the possible disposal of the business upon your death. It is important that this be identified and properly established in your Intergenerational Wealth Plan.

An effective IWP will identify what your assets and liabilities are; determine your objectives and wishes; create solutions to meet your objectives and wishes; has a solid implementation strategy; and takes into consideration any changes into the events in your life.



POTENTIAL BENEFITS OF HAVING AN IWP

- ◆ Your assets will be distributed in a timely manner and as you intended
- ◆ Minimization of probate fees and income tax
- ◆ Potential to reduce conflicts amongst family members
- ◆ Ensure business continuity for business owners

Emotions tend to run high in families, so it’s important to have your IWP clearly laid out to avoid conflicts and misunderstandings. An IWP should be tailored to your specific family needs and communicated properly and a qualified succession advisor can help navigate through a proper IWP.

Virtually every single person has knowledge of estate plans going horribly wrong. Costs to rectify poor planning can be very expensive, and as well can harm to inter family relationships.

WHAT ABOUT FAMILY PROPERTIES OR VACATION HOMES?

Some families may own homes or have vacation property that they wish to pass onto the next generations. Careful planning and consideration needs to be given to avoid potential tax and estate planning issues that may arise. Tax associated with capital gains for properties outside of Bermuda, or conflict between surviving heirs regarding access and maintenance costs related to the property. An IWP specialist can put a plan together by understanding your personal situation and assessing the possible solutions that may alleviated potential concerns.