

1Life Wills and Estate Planning

Estate Planning 101



1Life

Changing Lives

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1 Why you need a Will



Most of us want to know that when we die, our property, money, and assets go to those most deserving, and the right guardians are appointed for our children.

Not having a Will can lead to protracted legal proceedings and delays in distributing your assets. Without a Will, the court must make decisions on your behalf which is often a lengthy and stressful process.

Losing a loved one is devastating and the process of distributing assets after someone passes away is even more daunting. Don't leave your loved ones to deal with the distribution of assets, getting your affairs in order, paying your bills, and clearing your debt. Act now and ensure your Will is drawn up correctly.

A correctly drawn up Will allows you to (amongst other things):

- Nominate an executor
- Name a guardian for your children, and
- Specify how you want your assets to be distributed and more.

Who needs a Will?

The answer is anyone who wants the peace of mind that their loved ones are properly taken care of should something happen to them. Based on our client base, these are the most common scenarios:

- The elderly who are concerned about fairly distributing their assets.
- Those with health challenges want to ensure they have their affairs in order.
- People who are married and want to look after their spouse or to make sure their children are properly cared for in case of their death.
- People who have property or assets and want to make sure it goes to the right beneficiaries.
- Investors who have a trust or offshore assets that need to be managed properly.
- Business owners who want to make sure their interests are secured.
- Divorcees who need to update their Wills.

Surprisingly, although most adults understand the importance of a Will, less than 30% of adults in South Africa have one that is completed or up to date.

This is where we can help. 1Life Will and Estate Plan is an online, customised, and affordable online solution that allows you to easily complete and update a valid, signed, and retrievable Will. You receive expert advice and guidance as well as lifetime access to make sure your Will is easy to access and always current.

Want to know more? Read more [here](#) or contact your financial adviser.

2. What happens to your estate if you don't have a Will?



If a person chooses not to draft a Will or a Will is found to be invalid, he or she will be deemed to have died intestate and the laws of the Intestate Succession Act of 1987 will guide how the assets are distributed.

The consequences to the family of someone dying intestate are never ideal and can lead to heartache for those left behind.

1. You forfeit the opportunity to decide who inherits what and your estate is distributed according to South African law. This means people whom you may not have wanted to benefit from your Estate may inherit your assets and family heirlooms.
2. Your partner may be left with nothing if you are not married, or your Will is not updated from a previous marriage. By law, the spouse and then closest blood relatives will receive the inheritance.
3. Should both parents be deceased, the court will appoint a guardian for your children. Your children's inheritance could pass to the Government Guardian's Fund or appointed guardian rather than to a Trust that will ensure your wishes for them are carried out.
4. Family feuds often occur when family members argue over the distribution of your estate if your final wishes are not clearly documented in a Will.
5. Winding up your estate can take years – without a Will, the executor is appointed by the state.

This is where 1Life can help:

1Life Will and Estate Plan is a customised, and affordable online solution that allows you easily complete and update your Will. You receive expert advice and guidance as well as lifetime access for you to make sure your Will is easy to access and always current.

We gather all the necessary information now to execute your estate plan faster. Before you sign your Will, it is checked by specialist fiduciary lawyers to confirm it is correctly drawn up and legally enforceable.

We also act as your personal executor to streamline the finalisation of your estate.

If you are concerned about the legacy you want to leave your loved ones and would appreciate the peace of mind 1Life can give you, read more [here](#) or contact your financial adviser for assistance.

3. What makes 1Life Wills and Estate Plan so smart?



The events of the last few years have painfully underscored the importance of having a properly drafted Will in place. A lot of people avoid doing their Will because they believe the process is complex and expensive.

The good news is technology has changed all of that.

Online solutions like 1Life Wills and Estate Plan allow you to create your Will from the comfort of your own home and with the help of your financial adviser. You don't need to take time off for appointments to have the Will drawn up, and it is both quick and affordable. Because it is online, you can access and update your information whenever you want to.

Can technology manage the complexity where a Will needs to be customised?

Most Wills have some complexity - and so the question is: Can online solutions cater for the additional clauses that reflect your personal circumstances?

For example:

- How do you make allowances for special bequests or instructions for items of value?
- What happens in the case of simultaneous death and the provision of a testamentary trust to protect vulnerable children?

The most important consideration is to **make sure your Will is enforceable**. There are very specific legal requirements when writing and signing a Will.

1Life offers you a cutting-edge fiduciary online solution and the ability to customise your Will to your specific circumstances.

The 1Life Will and Estate Plan is a comprehensive online solution that was built together with top Fiduciary lawyers to make sure, you and your financial adviser can create your Will quickly, and professionally with the necessary flexibility built in for you to customise according to your needs. The system has built-in controls that account for all legal requirements.

The system is easy to use, affordable, personalised and accessible 24/7. Once you register, the online process makes it quick and painless to complete your Will and your financial adviser and our fiduciary experts will be with you all the way. Everything is saved in the cloud. You can work through the questions yourself and if at any time you need expert advice and guidance, it is available online, telephonically, or through a live meeting.

The system gathers the necessary information to execute your estate plan faster. We act as your executor to streamline the finalisation of your estate.

We also help you with estate planning through our built-in calculators that provide you with the potential costs of winding up your estate and we identify gaps in your estate planning and suggest solutions.

So, if you need a Will contact your financial adviser or read more [here](#).

4. The role of an executor and why you want one who is independent.



When you set up your 1Life Will, you can nominate anybody as your executor. However, here are some important reasons to consider a professional independent executor:

- The process is complex and it's a lot of pressure and responsibility to place on someone who does not have the experience and might be grieving your loss.
- There are significant legal requirements dictated by the Administration of Estates Act.
- History has shown that having an executor who is not independent can lead to family disputes.

Having an experienced executor can significantly reduce the time taken to wind up the estate as that person would understand the complexities, be able to navigate the legal requirements and probably have existing connections in the Master's Office, the South African Revenue Service (SARS) and the Department of Home Affairs.

If the executor is also a member of a professional body such as the Fiduciary Institute of South Africa, you have further assurance the estate will be dealt with in a responsible and professional manner.

The ideal situation is where the company or institution that drafts the Will is nominated as the executor of the estate, as they will be in possession of the required information regarding the estate, understand the family dynamics, and have contact details of the heirs. It can also save you a lot of money:

- You can negotiate the executor fee upfront, which is then stipulated in the Will.
- Careful estate planning can minimise tax and estate duties.
- The executor will be able to navigate the rules regarding annuities and life cover payouts.
- The executor would also be able to efficiently resolve any debts payable.

How 1Life can help

Apart from providing the convenience of an online solution that is customised and affordable to easily complete and update your Will, our system gathers the necessary information to execute your estate plan faster.

We also act as your independent executor to streamline the finalisation of your estate.

We also help you with estate planning through our built-in calculators that provide you with the potential costs of winding up your estate and have several affordable solutions to help you cover the costs of winding up your estate.

Read more [here](#) or speak to your financial adviser.

5. How 1Life helps you create a personalised Will.



No two Wills are going to be alike, and you need your Will to reflect your personal circumstances. You might own a business, have assets in a trust, or been in a former marriage.

The first step in the 1Life Wills and Estate Plan process, is to complete a one-page questionnaire together with your financial adviser. The answers provide an accurate snapshot of all the details of your estate. This snapshot then allows the system to customise your Will to your specific environment and provides the basis for our fiduciary specialists to validate your Will.

Based on your answers in the initial questionnaire, the system will then adapt the rest of the questionnaires to get more complete information. For example, if you select the option that you have policies in place, the system will then request more detail when you list your assets later in the process.

Should some of the detail you supply be of such a complex nature as to require expert advice, your financial adviser will be on hand to assist.

To make sure your estate is wrapped up quickly and efficiently (and to avoid conflict), your Will needs to be correctly drawn up and the executor of your estate needs to have all the right information at his or her fingertips.

The detail from the questionnaire enables us as the executor of your estate to do just that. Your estate cannot be finalised without all accounts being settled and any money owed being paid. You also want to make sure all assets are distributed, and nothing is missed or left for beneficiaries to potentially argue over.

This is another example of how 1Life marries the power of technology with personal and professional support to give you the peace of mind that your estate will be properly managed, and your loved ones will not have to deal with the added stress of complications arising from your estate.

Learn more [here](#) or contact your financial adviser.

6. Three reasons why it is important to list your assets and liabilities as part of our estate planning.



An important part of drafting your Will and making sure your executor can wind up your estate most effectively and in the shortest time possible, is to create a detailed list of assets and liabilities.

There are three reasons for this:

1. Before the executor can distribute any assets, he or she needs to settle any legitimate claims from creditors.

If your executor does not know who your creditors are, he or she will need to request this information from those who were closest to you, which can only add to a stressful situation. The executor will also be obligated to advertise in local newspapers for any creditors to come forward if they have a legitimate claim against you.

Providing a detailed list of creditors will speed up this process significantly and allow your executor to settle these claims much more quickly.

2. At the same time, the executor needs to draft accounts of all assets, so they can be distributed as per your Will. You also want to make sure all policies are claimed.

If you do not list all your assets and indicate whom you want to receive which asset, you run the risk of them not being distributed or the risk of potential conflict over ownership. There are lots of examples of conflict coming out of disagreements on who should get what.

You also want to make sure you list all your policies and annuities. Right now, there is more than seventeen billion Rand in unclaimed unit trusts and policies in South Africa.

3. Have a clear idea of the costs associated with winding up your estate.

A lot of people are not aware of the costs of winding up your estate. This includes estate duties, executor fees and potentially conveyancing fees.

The 1Life Wills and Estate software has built-in calculators that will give you and your financial adviser an indication of the potential costs of winding up your estate. The more complete a list of assets and liabilities you have, the more accurately we can calculate the costs. Your financial adviser can also offer you innovative financial solutions to help you cover these costs.

It is well worth the effort of building a comprehensive list of your assets and liabilities. Not only does 1Life help you create a Will that is comprehensive and binding, but your executor will also have access to all the information he/she needs to make sure your estate is wound up as quickly as possible and the right people benefit.

Read more [here](#) or contact your financial adviser.

7. Three things you need to maximise the impact of your Will



Many of our clients have told us they found the best way to complete their Will was to maintain momentum. This means allocating time to the process and completing as much as possible each time you log on.

The beauty of the 1Life Will and Estate Plan is that we provide your financial adviser with a series of intuitive questionnaires to help make this process as painless as possible. The system then generates the Will for you automatically.

With that said, there are three important things you need to prepare beforehand to help you complete the Will quickly and efficiently.

1. Create a comprehensive list of all your assets:

To make sure the right people receive the right assets, and avoid any potential conflict, spend some time listing your assets as comprehensively as possible. This will allow you to be very specific when you decide how these assets need to be distributed.

You might also want to leave some of your assets to a charity or non-profit organisation and so again, you will need to be specific.

You also want to make sure you list all your assets, including policies so nothing is left out of your estate. Right now, there is more than seventeen billion Rand in unclaimed unit trusts and policies in South Africa.

2. Spend time thinking about whom you want your beneficiaries to be and what you want to leave them:

Be clear on who you want your beneficiaries to be, and what you would like to leave them. This is particularly important if these beneficiaries are not blood relatives. Often the courts will find in favour of children over a common-law partner.

Unless indicated otherwise, a previous spouse can also have rights to the estate. There is a recent example of an ex-wife receiving a property even though the deceased had verbally expressed that his daughter received it, but it was not stated in the Will.

3. Consider the legal implications.

There are other legal implications you also need to consider when drawing up your Will.

- What special requests you want to make such as how to manage your funeral, organ donation, etcetera.
- If you are parents, you would need to consider who you want to nominate as guardians, and whether you should set up a testamentary trust to look after your children and assist the guardians.
- You also want to decide if you want to appoint an alternate executor. This person will work with the executor when they need assistance.

By having this information available when filling in the questionnaires, you will be able to speed up completing your Will and make sure your estate is distributed according to your wishes.

Read more [here](#) or contact your financial adviser.

8. How to make sure your original signed Will is always available to your beneficiaries after your death.



Even though a Will is such an important legal document, there are many cases of Wills that got lost or damaged. In addition, there are also cases where due to a sudden death, or where a couple dies simultaneously, beneficiaries don't know the Will exists.

Without an original Will, the state assumes that a Will never existed and the Intestate Succession Act applies, which uses a formula to determine who inherits your estate. Even a certified copy is not enough as you would then need to petition the High Court which is lengthy and expensive process.

So how do you ensure:

- Your Will is always up-to-date and securely stored?
- You cater for unforeseen circumstances that might lead to beneficiaries not knowing about your Will?

1Life provides two affordable solutions to solve these challenges:

Safe Storage

If you complete your Will within 7 days, we will collect your Will from anywhere in the country and securely transport it to our offices at no extra cost. We will then check your Will for any errors and scan and barcode it, before storing it in a secured, fireproof facility.

You can also update your Will annually, where we will again cover the courier fee.

Monthly Check

We do a monthly check against the Department of Home Affairs' death records. Should we find a match, we will proactively contact family members or beneficiaries and let them know we have the Will safely and securely stored. Again this service is included free of charge, provided you complete your Will within 7 days.

If you would like more information read [here](#) or contact your financial adviser.

Learn more [here](#) or contact your financial adviser.

9. The costs associated with winding up your estate and what to do about it.



A lot of people are not aware of the hidden costs of finalising an estate. There are executor's fees, estate taxes and if a property is involved, conveyancing fees.

Unless you plan for these costs, these fees could be taken out of the estate which means less money will be distributed to the beneficiaries. Even worse, your beneficiaries might be burdened with having to find the money to cover these fees themselves.

1Life can help you with this:

- Our software has calculators that will give you an indication of the potential costs in winding up your estate. The more complete your list of assets and liabilities, the more accurately we can calculate the costs.
- Because we act as your executor, you are assured there are no hidden costs, and you have full transparency on the services and fees involved. The level of detail the 1Life system collects, also means the estate is wound up quickly and efficiently so you don't incur any further costs or penalties.
- You can also register for or Executor option. This allows you to save up to 40% on executor fees and 10% on conveyancing fees.

If you want to make sure your beneficiaries do not carry any financial burden when winding up your estate read more [here](#) or contact your financial adviser.

10. Mistakes to avoid when drafting a Will



One of the most important aspects of a Will is that it has to be valid and enforceable for the estate to be wound up efficiently and according to the wishes of the deceased. Many Wills are invalidated because the specific requirements of the basics are not met. For example:

The will is not signed and dated in person and initialed on each page

Digital signatures are not acceptable in court (yet) so any Will that is not signed in ink, in person is not considered a valid Will.

Witnesses are beneficiaries

Witnesses must be over the age of 14 and competent. For example, they cannot be seriously ill, taking medication or any substance that hampers their ability to understand, or under the influence of substances such as drugs or alcohol. Witnesses cannot, in any way, stand to benefit from the will. A spouse, executor, or any potential beneficiary does not qualify as a witness.

An inappropriate executor is named

Any competent adult can be named as an executor. However, it is preferable for the executor to have knowledge of the law and/or deceased estates so they can effectively and efficiently carry out their duties. A family member may seem a logical choice, but without knowledge of the process winding up an estate becomes time-consuming and delays are inevitable.

Beneficiaries and assets must be clearly named

A Will's purpose is to distribute assets to beneficiaries quickly and efficiently and can only be done if these are clearly identified.

Beneficiaries must be named in full, ID numbers given and the relationship to the testator specified

This avoids a situation where a John Brown is named as a beneficiary and a long-lost cousin called John Brown claims the inheritance over the son named John Brown. Alternate beneficiaries should be named who will inherit if the named beneficiary has passed on.

Assets must be specified with a catch-all clause included

Assets, including moveable, immovable and digital assets such as cryptocurrency, must be named according to title deeds, account numbers and location. Spending time getting this right when drafting the Will saves time, as well as avoiding potential problems when winding up an estate. Assets change over time, and it is possible to forget assets when drawing up a Will. This can be dealt by including a clause that leaves the "residual of the estate" to a named beneficiary or beneficiaries.

Keep in mind that international assets may need to be dealt with in an international Will, especially if they are immovable such as property.

10. Mistakes to avoid when drafting a Will

(continued)



The Will should be easy to enforce

The following must be considered when drafting a Will as they can easily render a clause, or the entire Will, unenforceable.

The marital regime

This may give a spouse preferential right to inherit before anyone else. For example, if a couple is married in community of property or out of community of property with the accrual system, the spouse has a right to ownership of certain assets if they were not already a joint owner with their spouse. These assets cannot, legally, be left to another beneficiary.

Dependants

Dependants have a right to claim from a deceased estate. Excluding them will lead to challenges and possible changes to the distribution of the estate's assets.

Ownership and use of assets

Assets owned by the deceased will be distributed according to their wishes, but ownership and use of assets can create conflicts and practical problems. For example, an asset may be left jointly to beneficiaries, but if one beneficiary is enjoying the use of that asset, such as a family home or car, the asset may have to be sold, leaving a dependant without a car or home.

Liquidity and tax planning

Most estates need some form of liquidity or cash to pay for expenses, ranging from funeral expenses to medical bills, advertising, and setting up estate accounts, as well as tax, if applicable. Not planning for liquidity can cause complications and delays and may end up reducing the net value of the estate if assets have to be sold to pay expenses. Tax planning is also critical, especially if the estate is valued at over R3.5 million.

Providing and caring for minor children

No parent wants to leave their children without funds or care, but poorly drafted wills can easily do so. This can be avoided by:

Naming a competent guardian

A will must name a competent person as a guardian who must agree to care for the children. If a guardian is not named, the High Court appoints a guardian, who may not be the first or ideal choice.

Setting up a trust for inheritances to minors

Children under the age of 18 cannot legally inherit in South Africa, but assets can be left to a trust where the children are named as beneficiaries who can inherit at age 18 or a later age. When assets are left to minor children without any further provision, assets are sold and the funds deposited with the Guardian's Fund at the Master's Office. This isn't ideal as only certain expenses up to certain amounts can be paid.

10. Mistakes to avoid when drafting a Will

(continued)



Expert advice when drafting a Will can help avoid situations where children have limited access to funds or are cared for by an unsuitable relative or guardian. Experts can also assist with any special needs trusts for special needs children or adult dependants.

Maintenance and storage issues

A Will must be accessible, retrievable, and updated. Divorce, the birth of children, and change in assets often require a Will to be updated or a new will drafted. Too much time to locate a will, or not updating a will that names an ex-spouse as beneficiary causes delays in winding up many an estate.

Don't forget to: Revoke previous wills. Without revoking a previous will, or wills, there may be confusion as to which applies. This will add time, and cause confusion as well as possible changes to inheritances.

The value of an expert

Wills are rarely simple, and best drafted with the help of an expert. There is no substitute for an experienced professional who knows what to include, what legal terms should be used where, and can ensure the will is practical and assets distributed as intended.

Experts can also assist with matters such as a Living Will and can advise family members on how to deal with other practical issues such as how to plan for closing social media accounts and dealing with digital footprints when the time comes.

Ensure the beneficiaries benefit

Poorly drafted Wills make it more costly to wind up estates, take more time, and ultimately can leave beneficiaries out of pocket. Avoiding mistakes in wills by using an expert's services is a more efficient and effective way to ensure an estate is settled correctly.

If you want to make sure your beneficiaries do not carry any financial burden when winding up your estate read more [here](#) or contact your financial adviser.

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**Contact your
Financial Adviser
for more
information**



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