
FAMILY TRUSTS AND ASSET PROTECTION.



FAMILY TRUSTS - WHAT ARE THEY AND WHAT CAN THEY DO FOR ME?

The principal concept behind the formation of a Family Trust is that you are selling or divesting yourself of your assets so that in fact you own less but at the same time retaining control of them. Why would anyone in their right mind want to do that you might well ask.

There are a number of reasons why you might do this, e.g.

1. There may be significant tax advantages, especially for those with

younger children, larger families or for those who suffer badly because of the Superannuation surcharge.

2. To minimise the effects of assets and means testing - the rest home subsidy situation which many people are affected by.

3. To protect your assets from attack by creditors and the like (if you don't own them then they can't get them).

4. To protect assets from Matrimonial property claims, provide for your children in a more flexible way or manner.

SO HOW DO I GO ABOUT CREATING A FAMILY TRUST?

A Family Trust is established by drawing up and signing a trust deed. You, as the person establishing the trust and settling an asset on it, are called the Settlor.

The Trustees are the people who hold the ownership of the asset and look after it for the Beneficiaries (those people who will ultimately get the asset or the benefit from it).

Once the trust is established it can purchase the family home or any shares, etc from you. There are limits on gifting your property to the trust, so the usual scenario is that you as Settlor lend the trust the money to buy your own assets. The asset has been sold to the trust, funded by a debt back to you.

SO HOW MUCH DOES ALL THIS COST, HOW LONG DOES IT TAKE, WILL IT SUIT MY SITUATION, ETC?????????

For answers to these questions and simply just to see what a trust can do for you, you need to seek competent and experienced legal advice. Family trusts do not suit everyone and not everyone is com-

portable with them or the concept of them. For a no obligation discussion of your situation and to see if a trust can assist you - see the experienced team at Paul Gallagher Legal.

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