

## **Coronavirus pandemic prompts individuals to ensure affairs are in order amid growing fears of untimely death**

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As the number of COVID-19 infections in South Africa spikes again, a trend mirrored around the world, and everyone eagerly awaits the vaccine, people are more focused than usual on their own mortality. Quite rightly we are all concerned about the possibility, and then the consequences of our untimely death.

This reality check has prompted many individuals to hurriedly update their last will and testament and finalise their estate planning, ensuring that their financial affairs are in order with their personal wishes confirmed.

During March 2020, US-based online estate planning company Gentreo stated they experienced a 143% week-on-week increase in the number of individuals completing online wills. Another American online wills business, Trust & Will recorded a 50% growth in users over the same period.

Whilst any large-scale health issue, such as the Coronavirus pandemic does reinforce the need for sound testamentary planning, this should of course be attended to in the ordinary course of events.

“We urge our clients to update their last will and testament on a regular basis – at least once a year – to ensure that circumstantial changes have been considered,” says Trisca Hattingh, Head: Fiduciary Services at leading financial advisory business GTC. “A new family member may have been born, an heir may now be deceased, some family members may have had a change in marital status – these, and many other changes happen all the time, and need to be considered in updating one’s will on an evolving and progressive basis.”

Hattingh stresses that there is much more that needs to be in order than just a will so that loved ones are not upset and confused when they are left to finalise matters after a family death.

“A person’s life is filled with complicated documentation, bank accounts, subscriptions, movable assets, share portfolios, short-term insurance policies, tax obligations, monthly accounts to be paid – the list can often seem endless,” says Hattingh. “We advise our clients to complete a detailed ‘estate planning’ pack which helps to ensure all vital information is documented in one, easy-to-access file. The document includes all the details which a family will need to help navigate and finalise affairs with direction and purpose after a death.”

Hattingh also strongly recommends that individuals seek professional advice when preparing their estate because testamentary advisors have the objective and professional expertise to provide proper counsel, while being able to offer guidance about appointing independent executors, adopting appropriate tax planning and ensuring all other important requirements have been considered.

“People often don’t appreciate how much specific information regarding their lives, resides only in their heads.” Hattingh adds. “For example, what salary do you pay to your gardener, how to contact the pool cleaning company, and what notice period to give the neighbourhood watch?”

Hattingh notes that much of her time is spent sourcing these seemingly trivial details when winding up an estate.

“Write up these details and ensure they reside with your will, even if this seems morbid or tedious at the time,” she suggests. “Having this information all prepared in advance is ultimately invaluable to those loved ones and legal executors who are left behind to finalise everything.”

Hattingh also cautions individuals against hiding these documents in complicated places that nobody knows about.

Some of the important items to consider adding into the estate planning pack, which people may not think about, include:

- Who will adopt your pets when you die? Do you have pet insurance?
- Are you an organ donor? What are the processes required to honour your donation wishes carefully and appropriately?
- What happens if you and your spouse / partner die simultaneously? Does your Last Will and Testament have alternative beneficiaries in place to accommodate this unfortunate situation?
- Do you have any specific wishes for your funeral? Have these been documented somewhere?

Hattingh also advises individuals to consider preparing a living will. This document helps to outline what actions should be taken for a person’s health if they are no longer able to make such decisions for themselves as a result of severe illness or incapacity.

“In some countries, living wills are binding legal documents, whilst in others, like ours, the living will is persuasive without being a legal document,” says Hattingh. “These can include medical treatment plans and preferences as well as Do Not Resuscitate (DNR) instructions.”

Another particularly important consideration is for individuals to ensure they have nominated beneficiaries for all insurance policies and retirement investments.

“When you die, your policies and retirement investments will be paid to any beneficiaries who have been nominated on your various plans. However, if you haven’t nominated any beneficiaries, the funds will be transferred to your estate, which means they will be tied up with everything for a much longer period, and these funds will be taxable too, according to the Estate Duty tax regulations,” says Hattingh. “Just the simple process of including a beneficiary on your policy helps to avoid unnecessary complications and costs.”

“While nobody could have expected or even planned for the Coronavirus pandemic, it has given us a greater awareness of how fragile life can be. In addition to a valid will, it is vital to leave detailed directions ensuring your remaining assets are dealt with according to your wishes – don’t negate all your good intentions by not planning carefully. And don’t wait for a life-threatening event to implement such an important part of your financial planning” she concludes.

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