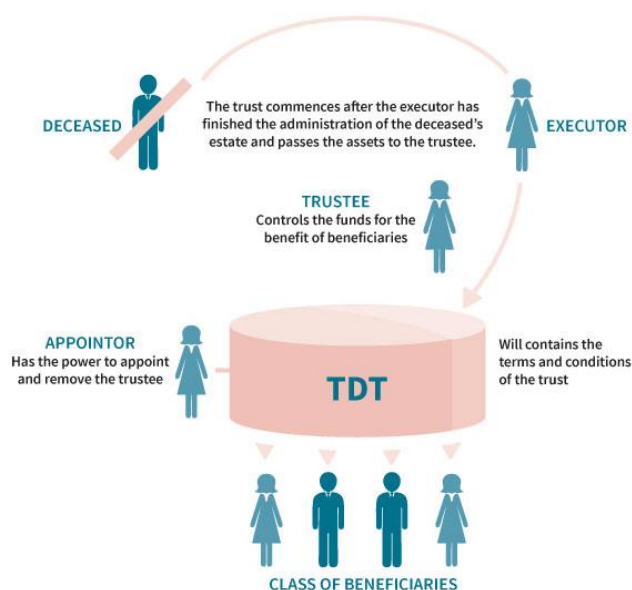


# Multi Testamentary Trust

## Information Guide

A TDT is created by the Will. The Will contains all of the terms and conditions of the Trust. Each TDT commences after the death of the Testator (the person who makes the Will) when the Executor completes the Estate of Administration and passes the Estate Assets to the nominated Trustee of the TDT. Typically the Will would only provide for the TDTs to be established if the Testator's spouse had predeceased. Where the Testator's spouse survived, the estate would pass directly to the spouse.



### Benefits / When to use a multi testamentary TDTs:

#### Asset Protection

Rather than all the deceased's assets being distributed by the executor upon death, some or all of the assets remain in multiple trusts for the benefit of each specific group of beneficiaries named in the will.

The assets held in the trust are generally protected from the personal liabilities of a trust beneficiary. For example, if a beneficiary has a personal debt then assets of the trust cannot be accessed to pay that debt.

The inherited assets can be kept apart from the adult child's other assets which may be vulnerable to issues such as marriage breakdown and/or bankruptcy.

The situation may be different where a beneficiary is involved in Family Court proceedings, as the Family Court has extremely wide powers to make orders concerning assets (including trust assets).

#### Tax Planning

A TDT can provide tax savings because the trustee has discretion to distribute income to beneficiaries on lower tax rates, reducing the overall tax payable.

#### Opportunity to provide for beneficiaries with special needs

A beneficiary may not be capable of managing his or her inheritance because of special needs. For example, where a beneficiary has a disability, is a spendthrift or has a drug, gambling or other addiction.

The trustee can make distributions and manage the funds on the beneficiary's behalf.

#### Flexibility/Control

Over time the needs of the beneficiaries may change. The flexibility of the TDT allows the trustee to make distributions in a way that suits the circumstances prevailing at the time.

Note that specific advice will be required in relation to any tax or stamp duty implications