

# Thrive

with you for  
generations  
to come



## More choices for gifting



### A warm welcome to the latest Thrive

*September and October was an exhilarating time with the whole country gaining world attention through hosting a fabulous Rugby World Cup. As a nation we should congratulate the organisers and ourselves. That we had to work so hard to achieve a win in the final was a reflection of the importance placed on being a world champion and the competitiveness of the world in which we live.*

*At Public Trust we're working hard to better meet the needs of New Zealanders. Our commitment to customers and the progress we're making is reflected in the encouraging feedback we receive, with customers rating us highly for the quality of our service. For those of you that take the time to complete our 'my experience' customer survey, our sincere thanks. We also thank you for your confidence in us at a time when we all have so many choices.*

*In this issue we discuss family trusts and the recent changes to gifting and what opportunities this may present for you. We also have a story about a customer's journey with us and how we helped meet their estate planning needs.*

*On page 2, we're excited to introduce you to LifePlan - an interactive online tool. By answering a few simple questions can help you develop a plan for the future. Life Plan identifies the top five ways we can help protect and grow the important things in your life, and provides you with a detailed personalised brochure. It takes just 60 seconds and our customers are telling us it's time well spent.*

*As we approach the end of the year we wish you and your loved ones the very best for the upcoming holiday season.*

*With very best wishes,*

**Grenville Gaskell**  
*Chief Executive*



*Gift duty was abolished on 1 October and many people who have a family trust, or who are looking to establish one, are asking what does this mean? We spoke to John Donovan, senior solicitor at Public Trust, for an update.*

#### *What does this mean for you?*

The recent change means consumers now have more choice when protecting assets through family trusts. You can now gift assets into trust all at once, avoiding the expense of setting up an ongoing gifting programme or incurring gift duty. "When the government originally announced its intention to repeal gift duty, most people assumed they would gift all at once.

Now as more is understood, it's very important to consider that immediate gifting may not suit everyone. It will depend on your personal circumstances and what you are trying to achieve," John said. It's important to remember the quicker you put your assets into a trust, the quicker you can gain protection for them.

*Continued overleaf...*

# Updates...

To find out more visit [www.mylifeplan.co.nz](http://www.mylifeplan.co.nz)

## How are you growing?

*At Public Trust we understand life can be busy and thinking about legal and financial issues can seem complicated – but whether you're looking to move home, plan for retirement, provide for your loved ones, or help to ensure your assets stay within your family, we can help you put plans in place to achieve what you want, now and for the future.*

## Making things even easier

*We've made it even easier to help you review your plans throughout life. Simply visit [www.mylifeplan.co.nz](http://www.mylifeplan.co.nz) and take our LifePlan test – just answer a few questions about what may be coming up in your life and what's most important to you for the future, and we'll tell you about some of our products and services that may be relevant for you to consider. It only takes a minute and you can even receive a free personalised LifePlan brochure with more information specific to you.*

*If you haven't reviewed your plans for the future for a while, visit [www.mylifeplan.co.nz](http://www.mylifeplan.co.nz) today.*



## Keeping your plans up to date

*Taking a small amount of time to update your plans for the future will give you and your family immediate peace of mind. It's important to update things like your Will and enduring powers of attorney whenever your personal circumstances change. Buying or selling a home, an overseas adventure, or a growing family are all great reasons to talk to us.*

*More choices for gifting continued...*

Here are the options...

Benefits of fully gifting	Benefits for continuing/ setting up a gifting programme	Benefits for leaving a debt outstanding with the Trust
<ul style="list-style-type: none"> <li>• Reduces ongoing gifting costs</li> <li>• Protection from creditors or from a future partner.</li> <li>• Safeguard against a successful family protection claim on an estate.</li> </ul>	<ul style="list-style-type: none"> <li>• May assist with a future application for a residential care subsidy.</li> </ul>	<ul style="list-style-type: none"> <li>• Drawing money from the trust is simplified because it's a debt owed to you, not requiring trustee consent.</li> </ul>

To understand the options best for you, speak to your Public Trust adviser.

### *Trusts still need proper management*

“Regardless of how you choose to gift into a trust, it's very important everything is well managed. Proper administration helps to prevent the possibility of a trust being challenged in the future,” said John. Some organisations provide the services of an independent trustee. Typically, they are experts in trustee services and will provide impartial direction and management of the trust and will ensure the trust meets its legal requirements. John commented that “Public Trust has a long and proud history for providing services as an independent trustee.

We also provide administration services for private trustees as well as specialist legal and accounting advice.”

### *Like to know more?*

Public Trust has experts across the country who can help you protect the important things in your life. Last year we set up over 1,200 trusts and we provide ongoing management for many more. Talk to us today.

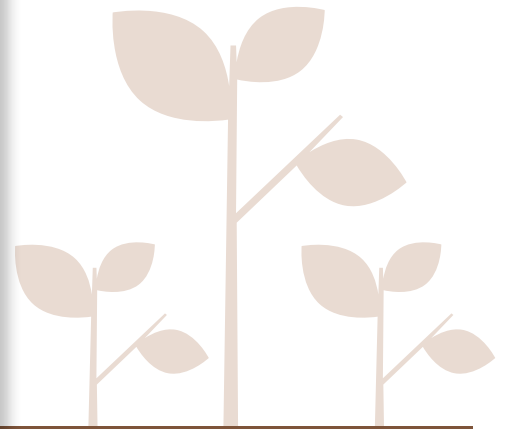


*“Family trusts remain a powerful and popular way of helping protect your assets and holding them for the future. There are many reasons to set one up, including reducing the chance of creditor or relationship property claims, preventing other unwanted claims against your estate, and helping maintain the confidentiality of your financial affairs.”*  
– John Donovan.

## What was gift duty and why was it abolished?

Prior to the law change, gift duty was a tax on gifts by an individual which exceeded \$27,000 in any 12 month period. The tax has applied in New Zealand since 1885 and was a “companion” to death duty (a tax on assets owned at death, removed in 1992) and abolishing it has been considered many times over the past two decades.

Gift duty was seen to be an administrative burden and while the law change is expected to reduce government revenue by \$1 million a year it will also provide administrative savings of \$430,000 annually, and an estimated \$70 million each year in private sector compliance costs.



Focus on estate planning

# Best laid plans for life's journey

*Estate planning is all about protecting assets and structuring them for the benefit of you and your future generations. Public Trust has a long history of providing New Zealanders with estate planning services and this typically goes beyond a Will and enduring powers of attorney (EPAs). Here's a real story, with names changed, about a customer who recently came to talk to us about his plans for the future.*

James is a career oriented 35-year-old from Burnside in Christchurch. Since leaving university, he has spent much of his time working for an investment company in the US. On a recent visit home to Christchurch, his parents, long time customers of Public Trust, suggested it was an important time for him to put plans in place for his future. So, prior to James leaving New Zealand, he called in to see Alan Timu, Senior Relationship Adviser, at our Christchurch Customer Centre to get his estate planning started.

## *Beginning the estate plan*

"James has plans of settling in Auckland in the near future so came to me at

Public Trust because he was aware that we have customer centres throughout New Zealand and can provide him with all the services he is looking for," said Alan. "Because James was heading overseas, it was important to set up EPAs as well as a Will to ensure his affairs would be looked after if anything was to happen to him or he was unable to act for himself while away."

During his appointment with Alan, it became apparent that James had goals for his future that required more advice. "James was looking to purchase a home in New Zealand and requested that I stayed in touch with him while he was away overseas," said Alan. "Plans have already been made to prepare a family trust for the future property and when James returns, Public Trust in Auckland will handle his conveyancing work and possibly provide a home loan and insurance."

## *Plans for the future*

It's important to recognise the significance of estate planning for ourselves and future generations. James remains in contact with Alan through email and is expected to move to Auckland early next year. He is grateful that Alan has been able to provide contacts for Public Trust in Auckland in order to make planning for his future as easy as possible. Thanks James for the great contact we've had with you. We wish you all the best on your return to New Zealand.

*Wherever you're at in life, we can help make planning for your future easy.*

We offer a wide range of estate planning options, and we'll tailor your plan for wherever you are in life. From thinking of having a baby, planning for retirement, or protecting assets, here are some of the options that are important in planning for your future.

### *Estate planning products*

Will  
EPA (financial and property)  
Life insurance  
Family trust  
Education and inheritance trusts  
Public Trust Investment Service  
Pre-paid funeral trust

Visit our website  
[www.publictrust.co.nz](http://www.publictrust.co.nz)  
to find out more

## A basic guide to probate

*Most people have heard about the term 'probate' but not many know what it means. As one of New Zealand's largest estate administrators, we think it's important for our customers to understand the process. Tracey Pervan, solicitor at Public Trust, talked us through what probate is, and what's involved.*

### *What is probate?*

The word 'probate' is derived from the Latin word 'probatus', meaning 'prove' in English. When used in context of an estate, it means "to prove the last Will before the Court". In New Zealand, the 'Grant of Probate' allows a named executor to administer an estate.

### *What's involved?*

After meeting with family to discuss the estate and terms of the Will, we apply for a Grant of Probate to the High Court. This involves our solicitors compiling the legal documentation relevant to the estate. Once granted, the Will then becomes a document of public record.

### *How long does it take?*

For estates where there is a Will, it will usually take around four to six weeks to gain a Grant of Probate. This gives us the authority to collect the assets of an estate, pay any due expenses, and distribute the remainder. Nothing can legally be distributed without it. For estates valued under \$120,000, we submit a more simple form of probate and can start administering the estate immediately. "It's very important to put plans in place to ensure your wishes are carried out the way you want," says Tracey. "Without a Will, administration of your estate can take longer and cost more."

Planning for the future is the best way to help ensure things will be looked after the way you want. We have specialist solicitors who are used to handling unusual situations, meaning estates can be processed more efficiently. Knowing that you have a specialist executor for your Will helps ensure that things are taken care of properly.

## *Did you know...*

Public Trust administers over 450 charitable trusts with a total value of more than \$405 million. This year, we have distributed over \$9.1 million, through over 2,700 grants and scholarships, to charitable organisations and community groups with interests as diverse as science, education, medicine, disability and agriculture. We distribute funds on behalf of these trusts to groups and individuals.

Collectively, charitable trusts allow many people to live better lives, enhance their skills, or enjoy improved community facilities.

*"Receiving funding from T.G. Macarthy charitable trust is very important to St John. Funding enables our continued emergency services within local communities all over New Zealand, helping build and support the people within them." Vicky Howell, Funding Coordinator, St John Central Region.*

Public Trust can help you set up a charitable trust during your lifetime or as part of your Will. As trustee of the charitable trust, our role is to ensure the assets are invested to provide lasting benefits and your intentions are carried out long after you're gone.



*Congratulations to the winner of our latest LifePlan iPad 2 draw, Heather Malcomson from Tauranga. Steve Russell, Customer Centre Manager in Tauranga, was pleased to present Heather, who completed our 60-Second LifePlan Test, with her new iPad.*

Win \$5,000, to get all those things done around the house you've been meaning to do for ages (or anything else for that matter).

Attend an appointment with us by 30 December 2011 and you'll automatically go in the draw to win a \$5,000 Prezzy Card, a pre-paid card which can be used at Visa retailers in store, online, and over the phone. If you win you can use it any way you want. After all, wouldn't you rather spend your spare time on things that really matter, like more time with loved ones.



Visit to [www.publictrust.co.nz](http://www.publictrust.co.nz) for terms and conditions.

## *Get in touch!*

We're located in the heart of communities across the country, so why not pop in and see us? Visit [www.publictrust.co.nz](http://www.publictrust.co.nz) to find your nearest Public Trust customer centre.

Or you can...

Call us on 0800 371 471  
email [info@publictrust.co.nz](mailto:info@publictrust.co.nz)  
or visit [www.publictrust.co.nz](http://www.publictrust.co.nz)

### *A final word on advice...*

This newsletter contains general information only – it is not a substitution for professional advice. No liability will be accepted for any loss incurred by relying on this newsletter.