

Fees & Charges – Family Trusts

A family trust is a legal way to protect your assets and hold them for the future. Having a trust can help in a wide range of situations, such as...

- *helping to stop assets passing out of the family*
- *protecting a child's inheritance*
- *managing your business risks*
- *protecting assets from family breakdowns.*

What will it cost?

The initial set up costs involved with a family trust depend on your situation and the assets involved. From there, ongoing costs will help make sure the trust is managed in the best way possible.

Our charges

We have minimum fees for setting up and managing a family trust. We also have set fees for transferring assets into a trust and other standard activities. Additional work is charged at an appropriate hourly rate according to the level of expertise required to complete the task. We provide cost estimates at every stage of the process.

Everyone's situation is different and you may not need all of our services. Talk to us about your requirements and we'll let you know the costs involved for you.

Set up costs

Setting up a trust involves a number of legal documents and we offer advice depending on your situation. Once you have decided a family trust is right for you, we require a \$500 deposit to be paid before we can get things started. This will be deducted from the total to be paid when the set up of the trust is complete.

If you decide to set up a family trust but want to wait before you transfer your assets, the cost will be around \$1,200, plus disbursements and other costs. A straightforward trust including asset transfer may cost around \$2,400 to \$3,000 to set up, but a more complex trust will cost more.

Setting up a trust – minimum charges

Activity	Minimum fee (including GST)
First meeting to discuss your situation	No charge
Proposal (this outlines the terms of the trust – you may wish to consider it if your family make up or asset structure is complex)	\$300
Set up the trust	\$1,200
Set up gifting programme (one person)	\$300
Set up gifting programme (more than one person)	\$350

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To transfer assets to the trust – fixed fees

Activity	Fixed fee (<i>including GST</i>)
Transfer first property to the trust	\$1,000
Transfer extra properties at the same time (for each one)	\$300
Mortgage redocumentation (per mortgage)	\$450
Transfer cash assets, such as bank deposits, investments, managed funds (for each bank)	\$100
Transfer NZ shares (for each asset)	\$120
Transfer overseas shares, or private companies (for each asset)	\$120

Setting up and managing a trust – hourly rates

Other costs	Fee (<i>including GST</i>)
Hourly rate – level 1	\$210 an hour
Hourly rate – level 2	\$240 an hour
Hourly rate – level 3	\$275 an hour

Setting up a trust - disbursements and other costs

As part of the process to set up a family trust we may need to source documents from external providers such as valuers or undertake tasks such as photocopying. Please note that third party costs are subject to change without notice and may vary by provider. The activities that will need to be undertaken will depend on your situation, a few examples include...

- property valuation from Quotable Value NZ
- search, registration and agency fees relating to Land Information New Zealand
- bank redocumentation charges
- office costs, photocopies, faxes and postage.

Ongoing administration costs

The ongoing costs will depend on the work we do for you. It's very important the trust is properly run, or it may not provide the protection and benefits you hope for. If we are a trustee we will make sure the trust is managed professionally. This work includes holding annual meetings and preparing gifting papers.

Annual and ongoing activities need to be completed for any family trust. We're able to assist you with these activities even if we are not a trustee of the trust. We have minimum fees for activities such as annual meetings and gifting, and we charge an income handling fee for any income received or handled by us on behalf of the trust. Time and attendance charges apply for other activities that we carry out for the trust, and these charges will be based on the level of expertise required to complete the task.

Annual fees – minimum fees

Activity	Minimum fee (including GST)
Annual meeting and gifting work (one person)	\$300
Annual meeting and gifting work (more than one person)	\$350
Annual meeting if not held when gifting papers are signed (simple trust)	\$180
Annual meeting if gifting complete (simple trust)	\$180

Annual fees – maximum fees

Activity	Maximum fee (including GST)
Income handling fee on gross income we collect <i>(this fee may vary depending on your circumstances and the type of income being handled)</i>	5% plus GST if any

If you would like us to carry out other activities for a family trust on an ad hoc or ongoing basis please contact us on 0800 371 471 and we will be happy to provide an estimate.

Examples

- John and Susan want to set up a family trust, but don't want to transfer any assets yet. It will cost them \$1,200, plus disbursements and other costs to set up the trust
- Paul and Emma own a mortgage-free house worth \$380,000, which they want to protect with a family trust. The cost to set up the trust, transfer the property to it, and set up a gifting programme will be around \$2,550, plus disbursements and other costs. The ongoing fees will be about \$350 a year to cover the annual meeting and gifting, with time and attendance charges for other activities such as the preparation of accounts and tax returns if required
- Gillian and Allan would like to protect their \$600,000 home, which has a mortgage owing, and private company shares worth \$8,000 in a family trust. To set up the family trust, transfer the property and shares, change the mortgage and set up their gifting programme, the cost will be around \$3,120, plus disbursements and other costs. The ongoing fees would be around \$350 a year which will cover the annual meeting and gifting with time and attendance charges for other activities such as the preparation of accounts and tax returns if required.