Grief, complex relationships and underage beneficiaries: an estate executor's story

By Perpetual Private Insights

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Many of us have a retirement dream. We might dream of relaxing by the sea, retreating to the country, or soaking up culture and entertainment with a city pad. One of our clients had just

this dream. A married couple that had recently retired, they sold their family business and retired to their dream home. Unfortunately, 2 years later, the wife passed away suddenly.

Her husband was devastated. To make matters worse, while dealing with his grief, he now had to act as executor of the $5 million estate. Dealing with the death of someone we love deeply is incredibly difficult, intense, and unpredictable. You can be overcome with grief one minute, feeling like you will never be happy again, the next minute life becomes bearable again.

Acting as executor of a will or an estate is never easy, and in this case it was made even harder by family difficulties. The couple's relationship with their children had broken down and the husband was expecting difficult conversations and potential legal battles around the distribution of the estate. In a final complication, his lawyer was based interstate, so was not able to perform some of the necessary New South Wales legal duties.

The husband and his lawyer realised they needed to appoint a professional executor. They turned to Perpetual Wealth.

When should you appoint a professional estate executor?

While being the executor of an estate is never easy, there are some situations where a professional executor's expertise is particularly useful. These include wills and estates with:

- Large or complex asset structures, particularly involving companies or trusts
- Assets that need to be looked after in a trust
- Complex family relationships
- Multiple beneficiaries
- Potential for legal challenges

Timothy Bestelink, the Senior Trust Manager at Perpetual Wealth who looked after this case says it had multiple characteristics which often cause a family, or their lawyer, to seek the services of a professional executor:

> "I've worked with many families where the division of an estate, and not necessarily a particularly large estate, has brought about a rift in the family. In these situations, having an independent person involved who can act impartially, and knows exactly how the estate administration process works, can be very helpful.
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> We were brought on both to help manage the family difficulties, and also to look after the financial future of the underage beneficiaries."

Fulfilling the couple's wishes

As one of his first duties as co-executor (alongside the husband), Timothy met personally with each of the beneficiaries and confirmed the size of the estate and their estimated share, while also explaining exactly how the estate administration process would work. According to Timothy, this is one of the most important roles a professional executor plays:

> "Professional executors really know the ins and outs of estate management and the executorial process. It's a very fraught time for beneficiaries and there are many traps which inexperienced people can fall into, especially if they are also undergoing the emotional rollercoaster of grief. We hold the hand of all beneficiaries through the entire process, taking away some of their worries."

Unfortunately, the husband's fears were realised and one of his children made a legal claim against the estate. This delayed the distribution of the assets and further frayed the already complicated family relationships. Through the ongoing difficulties, Timothy and Perpetual Wealth sat in the middle as the neutral, independent executors, following the legal process and fulfilling the desires of the wife as set out in her will. Eventually they withdrew their claim and the process was able to move forward.

Timothy is proud of the work Perpetual Wealth has done so far:

> "In the case of our clients, we managed to keep the family together as much as possible. We looked after all of the duties as executor of course, but we also helped out in a very human way. We organised meetings, arbitrated disputes and lots of little things which kept the process moving forward while helping each of the beneficiaries work through their emotions."

What's next?

Perpetual Wealth's involvement won't end there, it will continue on as Trustee, looking after the inheritances of the grandchildren named as beneficiaries. The grandchildren will inherit their part of the estate when they turn 21 years old, at which point they will benefit from the years of work Perpetual Wealth has invested in seeking to grow their wealth. Timothy explains how this works:

> "Perpetual Wealth is one of Australia's oldest trustees, we've managed some trusts for more than three generations. Our overall investment approach is very suited to this role as we seek to protect and grow

our client's wealth for the long term.

In a case like this one, our planning team will take into account the children's ages, the overall expectations and needs of the parents and the children regarding income, growth and expenses and then put together a bespoke investment portfolio to perfectly meet their needs. This will then be put into a Trust, which we will manage on their behalf until they turn 21.

Longer term, we also have the expertise at Perpetual Wealth to meet other needs that the beneficiaries might have in the future, like tax advice and longer-term financial planning."

While there still could be further twists and turns before the estate is settled, it has given our client and his lawyer peace of mind that Perpetual Wealth is there to turn to.

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