

Katie Errington

From: [REDACTED]
Sent: Monday, 8 November 2021 1:24 pm
To: Katie Errington
Subject: Life Interest

<http://knowledgelibrary.internal.publictrust.co.nz/products/policy-and-legislation/estates/Life-Interest-and-Deferred-Charges.pdf>

Hi Katie

I have put in a link to the policy and in particular I refer you to No 3 where it talks about a cohesive situation and how we can be removed at the outset of the estate administration.

Re our conversation this morning, this estate refers to a life interest. There appears to be a mixture of beneficiaries and it would appear without looking at anything further that it could be a blended family situation.

Let me start by advising when a new estate is being reported and the Will provides for a 'Life interest' for a beneficiary, then we look at all of the assets that are required to be administered, the family situation, what the likely ongoing costs will be and what value Public Trust can add by being involved. Tenants in common is a recognised tool to provide estate planning protection for assets for the remaining spouse and ultimate beneficiaries but is most commonly used in a blended family situation but not always.

When we are presented with a new estate, we gather information to understand the situation to try and advise the family how best to proceed. If the family situation is Mum, Dad and their own children, and all are in agreement with the terms of the will, then it may be in everyone's best interests for Public Trust to attend to the executorship duties but once complete then complete a Deed of Retirement and Appointment to appoint replacement family members as the ongoing trustees.

However, where there is a blended family and some disagreement exists, Public Trust will remain as an independent party to carry out the trusteeship duties. This is where PT can really add value by keeping everyone on an even keel. When considering Retiring as trustee, Public Trust needs to be sure that the "Life Tenant" (the beneficiary who has the current benefit) is not disadvantaged by the change in trusteeship.

I hope the above helps

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Service Quality Manager - SSD



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