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Five ways to avoid disagreements over your will

Want to financially support your grandchildren? Ask yourself this first...

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The confidence to look ahead

Five ways to avoid disagreements over your will

To state the obvious, most of us want to be remembered fondly by our families. However, poor estate-planning can have the opposite result – igniting conflict and emotional pain. We examine how to avoid a family fallout after you pass on.

In 2021, research by the Productivity Commission (PC) found the annual sum of intergenerational inheritances grew from $24 billion in 2002 to $52 billion in 2018.The PC expects this trend will continue, citing an earlier study from Griffith University that predicted $3.5 trillion would change hands in the two decades ending 2037.[1]

With more at stake, Australian courts are seeing an increase in the number of wills being challenged by adult children.[2] What's more, families have become more complicated with blended and step families now accounting for a larger proportion of all households.[3] Even families with a history of harmony may find that the grieving process heightens tensions and fosters suspicions. Some commentators suggest that as many as 70% of intergenerational wealth transfers fail due to conflicts and 'bungled execution'.[4]

As you think about your legacy, here are five things you can do to help ward off family disagreements.

1. **Communicate openly.** By discussing your intentions with your family, you'll help prevent misunderstandings and reduce the likelihood of disputes. Although it may be uncomfortable, holding a family meeting to discuss your will can help address concerns. If any family members are unhappy about your wishes, dealing with their concerns while you're alive is better than them doing so in a courtroom later.
2. **Aim for fairness and explain any unequal distributions.** If you're dividing your estate among your children, equal shares can reassure each child that they are equally loved. Yet 'sharing equally' will require some expertise if your assets are lumpy or complex. Ensure your will is professionally written so that your intentions are executed.

   You may, however, choose to leave unequal shares to your heirs. Perhaps you've already given one of your children an early inheritance such as a home deposit and you plan to redress the imbalance in your will. Or one of your children has a chronic illness and needs funds for ongoing care. If so, explain your reasoning in person, in your will, and/or in a separate letter to avoid feelings of unfairness.
3. **Update regularly and keep it accessible.** Keep your will up to date, especially after major life events like marriages, births or deaths in the family. Make sure that your executor and your legal representative each have the latest signed copy.
4. **Consider a testamentary trust.** A testamentary trust can ensure that each beneficiary, including children, receive their inheritance according to your wishes. Testamentary trusts may reduce the overall tax burden on your estate and your beneficiaries. Trusts may also offer protection from creditors and legal claims from others, such as a child's ex-spouse. What's more, if you have an asset that you don't want sold, such as a holiday home, the property can be owned by the trust for use by your family.
5. **Be clear and specific.** Set out how you want your assets distributed as ambiguities can lead to differing interpretations and family conflicts. Include detailed instructions for your personal and sentimental belongings.
6. **Get professional help.** Use the services of a solicitor or estate planning professional to ensure your will is clear, legally sound and comprehensive. If you're the beneficiary of a testamentary trust, ensure you obtain professional help with your tax return as disclosure requirements for trusts changed in 2024.[5]

Lastly, it's crucial to remember that your will is just one piece of the estate planning puzzle. It should align with your broader financial plan, including your superannuation and insurance beneficiary nominations.

How your Count Financial adviser can help

Talk to your Count Financial adviser about how your will can be set up in a way that safeguards your assets and keeps the peace. They'll be able to refer you to specialist estate planning experts so you can move towards your goals with confidence.

1 Productivity Commission, **Wealth transfers and their economic effects**, November 2021, p62

2 AFR, **The reason so many adult children are challenging wills, 7 February 2025**, accessed 12 February 2025

3 **Australian Institute of Family Studies, 'Families and family composition', Australian Government, August 2023, accessed 20 February 2025**

4 AFR, **Why this Baby Boomer is leaving everything to her grandkids - not kids**, 14 September 2024, accessed 12 February 2025

5 ATO, **Key changes for trusts**, 3 July 2024, accessed 11 February 2024

Want to financially support your grandchildren? Ask yourself this first…

Grandparents have long played a pivotal role in the lives of their grandchildren. And as younger generations navigate cost-of-living pressures, university debts and escalating house prices, one in three grandparents plan to help their grandchildren financially.[6]

According to McCrindle Research: 'Baby Boomers make up just 21% of the population but hold almost half (48%) of the private national wealth.'[7] And grandchildren will benefit from one in three grandparents who want to give them 50% or more of what they have, as part of a trend some are calling 'the grandparent economy'.[8]

Already two in five (39%) Australians have received financial assistance from their grandparents. Some of this constitutes a financial inheritance for 13%; free or reduced rent for 11%; and babysitting for 11% (cutting the cost of childcare). And up to one in five grandchildren have also had help with bills or education costs.[9]

It's only natural to want to help those we love. But before you help your grandchildren out financially, ask these four questions first:

1. How will this support impact your financial security?

First assess your own financial needs and consider whether you have adequate savings for your future health and aged care. Make sure that if you provide financial assistance, you won't be left short. When you demonstrate financial responsibility, you role model good behaviours to your grandchildren.

Before giving gifts, talk to your Count Financial adviser about the potential tax and social security consequences for both you and your grandchildren. Note that if you give away income or assets, they may still count towards the income and assets tests for your age pension eligibility. The same can apply if you sell them for less than they're worth. [10]

6 McCrindle, **Grandparent economy**, based on 2021 census data and McCrindle and Futurity 'Grandparents' contribution to education report 2023, accessed 12 February 2025

7 Ibid

8 Ibid

9 Ibid

10 Services Australia, **Gifting**, accessed 12 February 2025

2. What's the best way to provide support?

Take into account the needs of both you and your grandchildren. Here are some options to consider:

- **Co-saving.** If your grandchild has a financial goal such as saving for a home or a car, then you could match every dollar they save.
- **Inheritance.** If you're able, gifting while you're still live means you'll have the pleasure of seeing your grandchildren benefit from your gift. However, if this isn't within your means, then leaving an inheritance may be the better option.
- **Loan.** A concessional loan can enable you to help your grandchild now while also protecting your gift from being distributed to an ex-partner in the event that your grandchild's relationship breaks up.
- **Tie the gift to a specific purpose.** You can specify that the gift or inheritance is to be used for something enduring, such as a home deposit, car or education.
- **Insurance bond, shares or a managed fund.** Contributing to an investment each birthday can teach grandchildren about saving and delayed gratification. An investment also opens opportunities to discuss concepts like investment strategy, compound interest and dollar-cost averaging. Your Count Financial adviser can help set up investments for your grandchildren in a tax-effective way.

3. Is your gift fair?

Consider fairness and be transparent with each of your family members. Some grandparents must decide whether they gift to their grandchildren on a per-family basis (i.e. the same amount per family, divided between the grandchildren) or on a per-grandchild basis. If you've already gifted to some grandchildren, such as paying school fees, take care to equalise this gift in your will so that grandchildren who may be currently too young for school can receive the same benefit in future.

4. Is your gift responsible?

Ensure your gift doesn't discourage your grandchildren from developing savings and budgeting skills nor from taking financial responsibility.

How your Count Financial adviser can help

If you're thinking of helping your grandchildren out financially, talk to your Count Financial adviser about your options. They'll be able to advise you on how much you'll need for your financial security and on the best approach for helping your grandchildren.

The numbers

The seasonally adjusted Wage Price Index (WPI) rose
0.7%[11]
this quarter

The value of total residential building fell
0.9%[12]
to $8.33b

Unemployment rate remained at
4.0%[13]

Total construction work done rose
0.5%[14]
to $73,936.9m

The number of new owner occupier first home buyer loan commitments for dwellings rose
1.3%[15]
in the quarter while the value rose
1.5%

Household spending rose
0.4%[16]
month-on-month on a current price, seasonally adjusted basis

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11 Reference period: December 2024
12 Reference period: December 2024
13 Reference period: January 2024
14 Reference period: December 2024
15 Reference period: December Quarter 2024
16 Reference period: December 2024