

Estate planning tips for blended families



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Legal matters

For those who are part of a blended family, careful estate planning is important as competing claims can arise in the event of death.

An example of a problem is if one partner leaves all their property to the other when they die, but when that surviving partner dies, they don't leave a reasonable share of the estate to the children of their deceased partner.

The children of one partner miss out on getting any inheritance, while the other partner's children end up with all the inheritance of the blended family.

Another example of a problem is if one partner wants to give their estate solely to their children. This can leave the surviving partner in difficult financial circumstances.

The surviving partner may

need to bring a claim under estate or relationship property laws.

A recent High Court case considered a situation where the deceased's husband and his surviving wife had been happily married for 18 years, each having children from previous marriages.

About 7 years before the husband died, the couple entered into a formal Relationship Property Agreement and executed new Wills.

The intention of the Agreement and the new Wills was that the surviving spouse would have as much financial security as possible.

The couple intended to leave their respective assets to each other in the event of death, with the survivor's assets to then be divided equally between all of their children.

In effect, the Relationship Property Agreement meant that the children would have to wait until the surviving wife died to be provided for.

The four adult children of the deceased, being unhappy with that outcome, applied to the court to be appointed a personal representative of their father so that they could apply to chal-

lenge the Relationship Property Agreement and have it set aside.

The High Court declined that application.

As a result the deceased husband's intentions, and those of his surviving wife, were followed - this was possible due to their careful and purposeful estate planning.

Anyone in a blended family situation should be aware of what their obligations might be to their surviving partner and children.

They should also give careful consideration, with the benefit of expert legal advice, as to how they would like their assets to be distributed in the event of death.

Sorting out the estate can be a very difficult time for the grieving family. Having taken care of matters with careful estate planning can make that difficult time a little less stressful and can also mean your wishes are carried out.

I Column courtesy of **RAINEY COLLINS LAWYERS** phone 0800 733 484 or go to raineycollins.co.nz If you have a legal inquiry you would like discussed in this column please email Alan on alan@raineycollins.co.nz