



# How we can help you relieve the burden of Trust Administration

Will Preparation / Executor Services / **Trusts** / Financial Services / Taxation Services / Genealogical Services  
Investment Services / Enduring Power of Attorney / Personal Financial Solutions



At **State Trustees** we understand when it comes to trusting someone with your personal and financial affairs you need to know you're getting professional and expert advice **with your interests at heart**.

We've been **helping Victorians with their financial needs for over 70 years** so they can make the most of their **opportunities**. State Trustees offers a diverse range of professional products and services to **help protect and grow your assets**.

## Competitors or Collaborators?

Some solicitors would see State Trustees as a competitor, rather than a collaborator. And in some ways we are competitors. We both write Wills. We both administer estates. We both create and administer Trusts.

But there's one major difference between us – administration.

For you it's a necessary burden – for us, it is a core part of our business. State Trustees has the staff and infrastructure to perform those administrative functions that stand in the way of you and your core legal work.

So why not do what you do best – your legal work, and let us take care of the rest?

Solicitors who manage Trusts for their clients will know that once the Trust Deed has been established, what follows for the Trustee is largely administrative and involves very little legal work, but does carry onerous implications for a fiduciary. Do you have all the tools to carry out your Trust administration responsibilities?

Unless a legal firm has decided to specialise in Trust administration, taking on ad hoc cases can reduce its focus on core (and more profitable) legal services.

So if after you've prepared the Trust Deed, you no longer wish to act as the Trustee, why not refer the ongoing administration of the Trust to State Trustees?



# My Story



## A Trust to protect a disabled beneficiary

Jeremy, aged 32, suffers from paranoia and schizophrenia, has had run-ins with the law, is alcoholic and can be abusive and aggressive. His father passed away recently, naming his solicitor as executor and Trustee of the estate.

In his Will Jeremy's father left him a life-interest in the property in which he and his father lived. Rather than give Jeremy a further outright monetary share in the estate, his father established a testamentary Trust in Jeremy's favour with his grandchildren as residuary beneficiaries of both this and the property upon Jeremy's death. Given Jeremy's age there is the possibility that the two life tenancy Trusts will run for more than 40 years.

The solicitor runs a medium sized practice and acting as long term Trust administrator is not his area of expertise or in line with his core business – especially for a client suffering mental illness and with associated emotional needs. The solicitor referred the ongoing administration of Jeremy's Trust to State Trustees.

After setting up a regular payment to supplement his pension, our staff assisted in the purchase of a car for Jeremy, which involved:

- Enrolling Jeremy in a program to get his licence back
- Arranging the fitting of an interlock device to prevent him driving under the influence of alcohol
- Assessing the market value of selected vehicles
- Negotiating with car dealers to ensure Jeremy gets a fair deal
- Ensuring insurance cover is in place
- Checking that regular car servicing occurs

## A simple family Trust for a complex family

Peter and Sally are in their second marriage. They both have children from a previous relationship and a child from their current relationship, who is a minor.

Peter is a doctor with his own practice. Sally works part time as a podiatrist. She inherited a large share portfolio (\$800K) and \$200K of other investments from her parent's estates. Peter inherited \$500,000 from his parent's estates. Together they have a freehold property and two cars, private super and life insurance. They do not rely on their inheritance assets as they live on their income.

Because of the nature of Peter's job, they want to 'ring fence' their assets from potential business risk. They also want to protect their assets initially for themselves and then for their children when they pass away. They do not want their children's potential partners to benefit in case the relationships break up. They also want to earmark a certain portion of their assets for charity and to protect this portion from claims by their children or other parties.

They have considered setting up a family Trust, but they are not sure what assets should be in the Trust and what the tax implications would be. They also realise they need a Trustee who is impartial, professional and at the same time, consultative.

Peter and Sally were referred to State Trustees by their family solicitor. State Trustees offered the following:

- Meeting with clients to discuss all the issues and their needs
- Gathering details of all the assets to be transferred into the Trust and providing advice on what assets to include
- Establishing details of the beneficiaries and their current circumstances
- Negotiating a fee structure
- Developing a time frame for the completion of the documentation
- Introducing a Trust consultant who will manage their Trust and be an on-going point of contact
- Discussing tax implications and minimisation of tax

As a result an Inter-Vivos Trust was tailor-made to meet the client's needs and which appointed State Trustees the sole Trustee. The clients' solicitor was updated on the status.

## How State Trustees can help relieve the burden of Trust Administration

When beneficiaries of a Will move away, lose touch with the deceased, remarry or start using a different name or a nickname, it can be difficult and time-consuming to find them.

Why not spend your time on more lucrative activities and let State Trustees track them down?

Our Probate Genealogy team is now recognised as national leaders in genealogical research. We have the expertise, infrastructure and experience in locating heirs anywhere in Australia – or the world – and conduct many searches on behalf of solicitors and other Trust companies.

By using State Trustees' Probate Genealogy Services, solicitors can:

- save time
- reduce the risk of personal liability resulting from incorrect distributions
- close off those annoying, long term files
- be confident that distributions have been made to the true and correct heirs

## Estate Administration

Grant applications, conveyancing and acting for clients who wish to make a claim against an estate, is profitable work. But for many solicitors managing a deceased estate, these duties are often accompanied by a long list of mundane tasks.

If you have been appointed executor but do not want this role and you are considering authorising State Trustees to apply for a Grant, there may be situations where you can retain the core legal work and leave the rest of the administration work to us. State Trustees can assist in the administration of estates when:

- you want to act for a client beneficiary
- when you want to bring a claim against the estate and you are also appointed Executor
- there is conflict between beneficiaries over executorship
- there is other conflict, for example among estranged family members
- you wish to rationalise your business or retire
- when administration bonds are required – the high premiums can be avoided because estates managed by State Trustees do not require administration guarantees
- you do not want the role of executor in a client's Will
- an administrator of last resort is needed
- when an administrator of an intestate estate is needed

### My Story

**George, a divorcee who died in Melbourne, left a Will naming his son and daughter as beneficiaries.**

When the solicitor managing George's estate could not locate them, he referred the search to State Trustees. Our genealogy team found evidence that George married in Queensland, but divorced in New South Wales. They further determined that George's wife remarried in New South Wales and that his children had taken the surname of their mother's new husband, even though they were not formally adopted. Once State Trustees had located the beneficiaries and obtained their identity documents, the solicitor was able to complete the estate administration.

**Brian, 75, had appointed his son as executor of his Will. At the time of Brian's death, his son had been living with him and was contributing to their day-to-day living expenses.**

The estate was to be distributed between this son and two other children. The son felt the estate did not adequately provide for him and wanted to make a claim for a greater share in the estate. The lawyer he approached suggested he authorise State Trustees to act as the executor. The lawyer could then act on the son's behalf in making a Part IV Application.

## Why refer clients to State Trustees?

- We specialise in Trust Administration with more than 4,000 Trusts under management
- We offer personalised service with easy access to dedicated Trust Consultants
- We have in-house experts in taxation, financial planning and property management
- We'll always be around – so you don't have to worry what will happen to your clients after you retire
- Transferring the Trusteeship can be simple and straightforward

## Why work with State Trustees?

State Trustees has been providing a comprehensive range of Trustee, executor and personal financial administration services for over 70 years.

We manage more than \$1.5 billion in assets.

State Trustees is regulated by ASIC, Public Sector Regulator-Auditor General and Ombudsman and holds an Australian Financial Services Licence.

We are a Government Business Enterprise with 18,000 active clients and more than 500 employees.

Our Trustee services department manages more than 4,000 Trusts totalling more than \$260 million.

State Trustees' objective is to help Victorians with their financial needs so they can make the most of their opportunities, and our vision is to be known for outstanding service to our customers.

## The Role of Trust Administrator

### Regulatory

- Keeping up-to-date with legislative governing Trust law, social security and tax
- Accepting personal liability for meeting legislative requirements

### Financial

- Account keeping
- Tax returns
- Investment of Trust funds – including financial planning or stockbroking advice
- Annual reviews to ensure that investments are 'prudent' within the meaning of Section 8 of the Trustee Act 1958 (Victoria)
- Management of property assets – including insurance, rates, tenancy, rent collection and capital gains tax

### Personal

- Intimate knowledge of the client's circumstances to assist decisionmaking
- Evaluation of Trust applications – from school fees or extra money for cigarettes to a new fridge
- Exercising discretion as Trustee, often in the face of families and beneficiaries in conflict

## Questions?

For more information call State Trustees' expert Trust consultants

**03 9667 6444**

Residents outside the Melbourne metropolitan area can call

**1300 138 672**

or visit

[www.statetrustees.com.au](http://www.statetrustees.com.au)





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