

Last Man Standing

by Dr Robb Musgrave

In discussing with clients their future and what is important to them, creativity becomes a critical part of the discussion. For many people they don't know what they want because they don't really know what choices they may have. Of course one option is to give these clients all the options but that is usually self-defeating as the options can be endless.

In looking to assist clients it is the quality of the questions that determine their interest and respect. I have always found in establishing rapport it is about asking questions that draw out responses allows clients to verbalise what they are thinking and wanting.

Legenis clients identify their life values using our Valgenics® profiling, and complete a discovery process to determine their personal, financial and charitable position. While engaged in this process we build a close relationship with our clients and come to understand what they value, who and what is important to them and what really drives and motivates them. This allows us to work with them to achieve optimal outcomes and provide real solutions.

As an example, one client told me he had 2 daughters and that prompted me to ask about his lineage. He quickly told me about his family history of immigration, of exploration, of opening up isolated parts of the country. He further commented that he would most likely be the last to carry his name. The manner of his answer gave me a chance to probe further, using open questions. Was this something he had thought about for awhile? He said it was and he felt quite disappointed that although he would give his daughters every opportunity and he had the capacity, he would have liked for the family name to be continued.

When we talked further about how these matters could be included in planning his living legacy, I presented a number of ways to address this issue of being the "last man standing". He had provided for his children's education and in his estate plan but now he had the opportunity to provide for a much longer lasting legacy where his name would be remembered with affection and gratitude.

The first was through the establishment of a trust for the education of his grandchildren and great grandchildren, on into the future. The trust would have his name attached and the beneficiaries would be linked to his bloodline. Although the next generations would not carry his name they would be forever linked to the name of the person who was on the bottom of the cheque; his family name. While he could expect that his children would be well provided for, the next generation may not be as fortunate. This would provide an opportunity for many generations to benefit.

We then talked about funding the trust and that he could allow the funds to be directed from his estate to set the trust in place, so that he could continue to control the funds while he was living. One way to fund the trust was through life insurance,

so the funding for the trust was self-completing. Using this funding method the estate would not be depleted in any way and would pass in its entirety according to his wishes.

Another strategy for him to consider was to extend this concept in new ways and with broader applications. He had also told me that he felt it important to help underprivileged or immigrant children get a first class education. I suggested that he could establish a set of bursaries in his name at selected private schools and that children who had never previously heard of him would benefit from this arrangement and that his name would be carried forward as meaningful in their lives.

We could arrange for this to be done through a foundation in his name at the time of his death or in fact we could arrange for this to begin almost immediately, and that the *corpus* for the foundation would be formed from funds identified as having a tax impact. Instead of paying this money in tax we could direct it towards his foundation for an education benefit. His tax money would be directed into a meaningful result for the children he helped and give him a direct connection to young people into the future.

When the dust settled, he decided he would make use of the choices we were identifying and that if his estate was not decreased substantially he would offer the bursaries.

In summary, the insurance, which was tax free, would fund his family's future education trust on his death and the bursaries which provided tax deductible contributions funded education programs now. A life insurance policy was purchased with a \$1,000,000 pay out to be placed in the family future education trust and bursaries to cover school fees and support totalling \$50,000 a year were installed.

He has now become very involved in the selection process and each bursary recipient has a personal mentor with whom to discuss their future career choices and personal development.