

Financial Insights

with Australian Unity Personal Financial Services

8 March 2011

How to help your clients safeguard their vision of a secure financial future for their business and its people if the unexpected happens

Business estate planning is the process of helping your clients to arrange their business affairs now to ensure there is no unnecessary deterioration or loss of continuity in their business should it lose them or one of the other owners or other key people through illness, injury or death.

Part of that process includes defining their vision of a secure financial future for their business if they, another owner or other key person were unexpectedly lost to the business.

There are many people's financial futures to consider - including the departing person and their family, the ongoing partners and their families, and their staff and their families.

To help your clients create a business estate plan to look after all these people, we have developed a comprehensive process - which would be implemented in conjunction with you as the accountant - that takes into account many legal and financial issues, including the ownership of the business, its revenue and its debts.

As a result, there should be less risk of:

- A departing owner, or their spouse or estate, taking legal action over a valuation or pay-out figure
- A departing owner's spouse or child deciding - against the wishes of the continuing owners - to become an active hands-on partner of the business (rather than taking the pay-out)
- The departing owner's spouse or family taking their legal right to claim a share of the business profits without having to work in the business
- A departing owner's spouse or estate selling their share of the business to a third party that may be unsatisfactory or unknown to the continuing owners
- The control of the business or its assets being frozen due to legal difficulties created by the departing owner, or their spouse or estate.

Business ownership

As the client's accountant, you will help your clients and their business partners to formally agree on how their business will be valued - and what each partner's share will be.

Importantly, you will also help ensure that capital gains tax is minimised for the departing owner or their estate, and for the continuing owners.

We will also work with you and your clients to explore funding options which will allow them to fairly compensate the departing owner or their estate. These options include the use of business capital, a new partner buying into the business, debt, and buy/sell insurance. Where this specialised insurance is used, we will advise you and your clients on the most appropriate ownership structure for the insurance to ensure it allows for the business estate plan to be implemented efficiently.

Business revenue

The sudden loss of a key person can have an adverse effect on the sales and profits of the business and, until a suitable replacement is found, the business could be faced with recruitment costs, loss of clients, loss of revenue and profits, and negative impact on goodwill and credit rating.

Together, we will help your clients establish who are their business' key people, and then estimate the financial cost to the business if each of them suffered a tragic event. If required, we'll then recommend an appropriate insurance policy on each key person for a sum insured equivalent to the estimated financial loss. It is the business that will own these insurance policies and pay the premiums, and it is the business that will receive the proceeds.

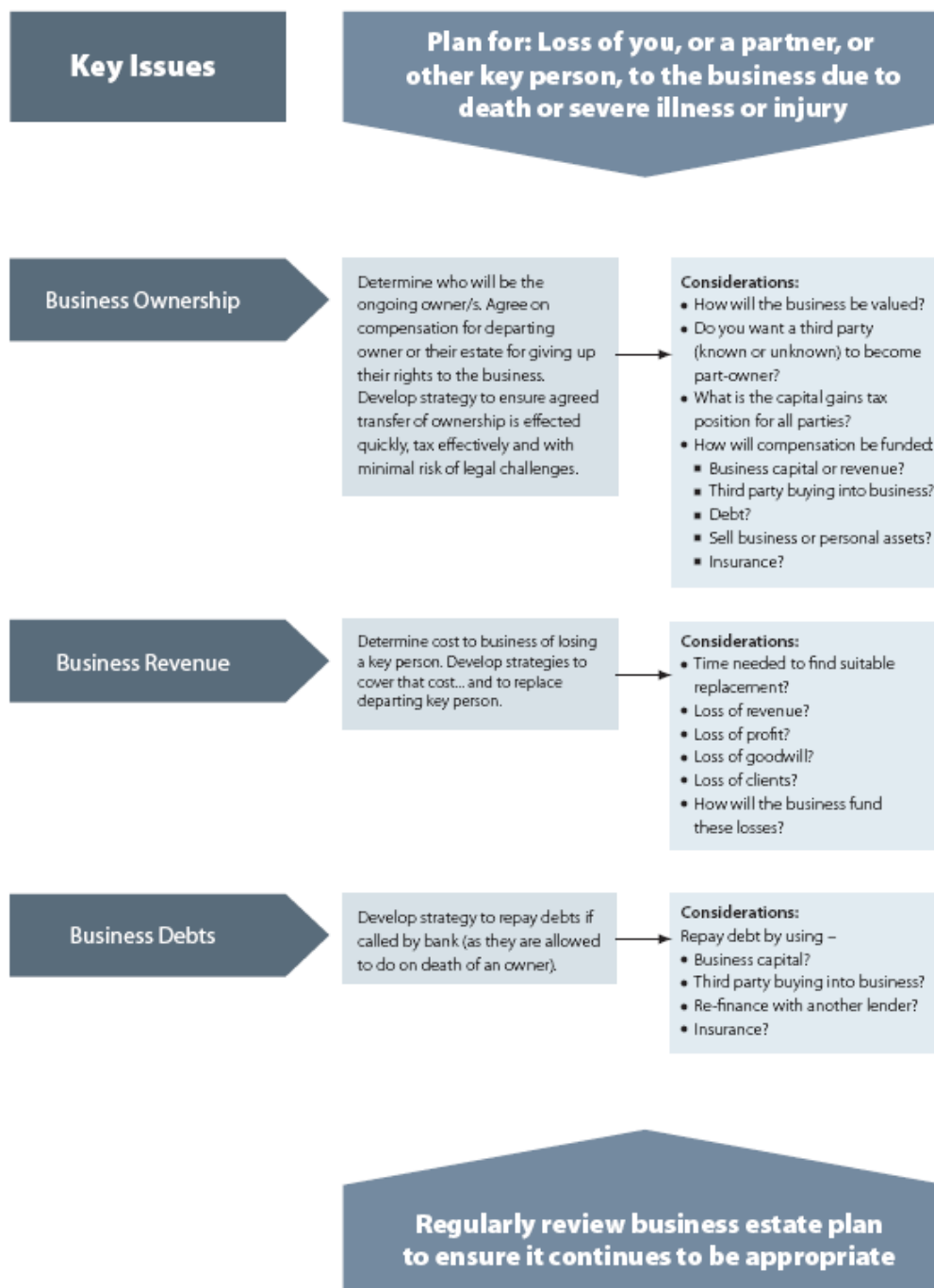
Business debts

If your client or one of the other owners were to die, any loans or leases their business has may be immediately callable by the lender. A business estate plan can ensure that debt can be retired by the continuing owners, through either the use of business capital, a new partner buying into the business, finance, or an insurance policy. We can help your clients assess each option, and assist them with obtaining a loan or purchasing the appropriate insurance.

Regular reviews

Once your client's business estate plan has been implemented, we recommend they allow you and us to review it regularly to ensure it continues to reflect their vision of a secure financial future for them and their business.

The Australian Unity Business Estate Planning Process



Who is Australian Unity Personal Financial Services?

We specialise in providing professional strategic advice to help you improve your current financial position and ultimately achieve your long term lifestyle goals.

Importantly, our initial advice isn't a 'set and forget' service. Instead we offer you regular financial mentoring and ongoing guidance – in all aspects of your personal finances – to set you, and keep you, on the path to financial wellbeing.

Our team of experienced financial professionals can provide you with a detailed and totally tailored blueprint for financial success in any or all of the following areas:

- Financial advice
- Wealth creation
- Retirement planning
- Investments
- Superannuation
- Home loans
- Commercial loans
- Investment loans
- Equipment finance
- Car finance
- Personal estate planning
- Business estate planning
- Personal risk insurance
- Business risk insurance

Australian Unity has a proud 170 year heritage of helping Australians create secure financial futures. This pedigree and experience, combined with our corporate strength and leading edge strategic advice capability, means we are uniquely placed to offer you high quality personal financial services... each finely tuned to your particular needs to ensure you achieve your vision of a secure financial future.

After all, your financial wellbeing is at the heart of everything we do.

MoneyInsights[®]
with Australian Unity Personal Financial Services

Australian Unity Personal Financial Services is committed to providing Australians with a genuine understanding of their investment options. This is achieved via our comprehensive investor education program called Money Insights.
Because knowledge is the first step to creating a secure financial future.

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