

“प्रज्ञान”

Means of Wisdom

In the earlier Pragyaa we took you through the basics of Estate Planning and briefly discussed about its methods. In this edition, we will take you through the tools of Estate Planning.

“In spite of all possible planning we forget to plan for UNSEEN, UNKNOWN....UNEVENTFUL.”

TOOLS OF ESTATE PLANNING

There are various tools of Estate Planning. However, the most common ones used in India are:

- Will
- Trust

WHAT IS A WILL?



- Legal document intended to pass one’s wealth to his desired beneficiary.
- Easy way to ensure how and in what proportion the assets are to be distributed to the respective beneficiaries
- Will comes into existence after one’s lifetime

THE ESSENTIAL CHARACTERISTICS OF WILL



- Individual should be a major and of sound mind
- Requires an Executor (Preferable someone who is local & accessible)
- Requires witnessing by two people
- Requires attachment of doctor’s certificate
- Can be revoked by the individual/ person at any time
- Witness should not be a beneficiary

BENEFITS OF A WILL



- Ensures peace of mind and security
- Ensures distribution of one’s assets to the loved ones in the proportion as desired
- Smooth and hassle-free transfer of assets to the beneficiaries
- Appointment of guardian for minors
- Appointment of trusted Executor

WHO CAN MAKE A WILL?



- One who has assets and thinks they are valuable & precious
- Any person who is a major
- Any person of sound mind

WHAT IF THERE IS NO WILL?



- If there is no will, the property will devolve according to the personal law of the deceased
- Absence of a Will may make the process of transferring assets to the beneficiaries'/family member's name very time consuming and costly
- Legal heirs may find it difficult transferring Demat account, mutual funds, bank accounts and fixed deposits in their names.

SHOULD A WILL BE REGISTERED?



- Yes. (Though it is not mandatory)
- Once the Will is drafted, it is highly recommended that it be registered with the Sub-registrar in the district courts.
- A registered Will is seen as more authenticated than an unregistered Will in case of dispute.

WHAT IS WILL EXECUTION?



- Next step to Will writing, after the life time of the person writing the Will
- Will execution ensures that the assets are transferred to the beneficiary as per the wishes mentioned in the Will

To be Continued..... In the next Knowledge series we introduce to you another Estate Planning Tool which is a Trust.

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