

## **How to safeguard your family's financial future with a 'mirror' will**

Drafting a "mirror" will by spouses or unmarried couples who have similar wishes can be a wise way to protect joint assets and the interests of children. Kobus van Schalkwyk, Head of Corporate Development for Standard Trust Limited at Standard Bank says mirror wills are virtually two identical wills in which one party leaves their estate to the other in the event of their death and if both die simultaneously, to the surviving children. As with a joint will – which is a single document executed by both spouses – each spouse or partner may also name their own executors in mirror wills. This is a very important decision as an executor is the person appointed to ensure the instructions of the testator or testatrix are carried out. As it is normal for both parties to appoint each other as executors, it is important that additional executors are appointed should both of them die simultaneously. Another more obvious advantage is that each party gets their own original will for safekeeping, which can lead to more efficiency when their estates need to be reported and wound up. In South Africa there is an estate duty and capital gains tax exemption for inter-spousal bequests and so drafting a mirror, or a joint, will makes practical sense if the intention is to make use of the available exemptions. "Another important provision could be to set up a testamentary trust so that trustees are appointed to protect their inheritances until children are old enough to manage their own affairs," says Mr van Schalkwyk. Provision can also be made to appoint guardians for minor children in the event of both spouses dying. However, Mr van Schalkwyk cautions that both parties who have mirror wills need to understand that the other person still has a right to change their will in future. "Freedom of testation is not affected by the fact you have drafted a mirror will and one party can revoke their will and draft another will whenever they want. In fact, they need not even tell the other spouse or partner you have done so." If one of the parties therefore has a sudden change of heart, or if the relationship breaks down, he or she can update his or her own will individually. With divorce rates on the rise, Standard Trust Limited advises that spouses need to plan their affairs carefully in advance, but when circumstances change due to divorce to ensure they update their wills immediately to reflect any changed goals and desires. "Amendments or revocation of mirror wills must ideally happen at the same time when circumstances change so they continue to match overall estate and financial planning goals. It is always advisable to review wills regularly to ensure they meet specific goals," says Mr van Schalkwyk. "If it matches the desires and needs of both parties and is drafted by trusted experts, a mirror will can be a very wise way to ensure joint wishes are met with limited hassle and maximum efficiency. After all, planning your estate is about looking to the future and securing your family's interests and wellbeing. Taking practical steps now will help to avoid complications later," says Mr van Schalkwyk.