



# Is your family trust about to die?

Most Family Trusts have a limited life span. The maximum time under current law is 80 years from the date the Trust was initially established but many Trust Deeds provide for the Trust to end at an earlier date.

Whilst Family Trusts in various forms have been used for business and estate planning purposes for centuries in other countries, in Australia they became popular from about the 1950s and their popularity has exploded in more recent times.

We are now seeing many Family Trusts approaching their end date particularly in family farm situations where farms were placed into Trusts many years ago and control passed down through successive generations of the same family.

If the end date for your Trust is looming (and by that I mean within the next 10 -15 years) you need to get advice now about what the alternatives may be.

In some cases it may be possible to amend the Trust to extend its life.

More commonly, the Trust will not be able to be extended. The decision making will revolve around whether it is best to sell the Trust assets and distribute the proceeds or whether the assets can continue under Family ownership but in a different structure.

When a Family Trust ends there are steps that the Trustee needs to take to avoid the possibility of becoming personally liable to trust creditors. Merely determining that the assets of the Trust should go to particular beneficiaries does not mean that the Trustee will be freed from liabilities associated with those assets.

When a Trust asset is passed to a beneficiary there may be capital gains tax consequences which will need to be considered .

There will seldom be a stamp duty exemption available when a property is distributed to a beneficiary.

If you don't know when your Family Trust will end, you need to find out .At Everingham Solomons we have the expertise to assist you with all planning issues relating to Family Trusts.

*Because Helping You is Our Business.*



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