

# “ प्रज्ञान ”

Means of Wisdom

**Wealth creation is a collective effort by an individual/individuals, sometimes over a few generations for the well being and continuity of their family.** To create a seamless passage of legacy to the future generations it is imperative to have a well thought plan which can be easily implemented.




## WHAT IS ESTATE PLANNING?

The process of planning and drawing up a plan to devolve one's assets in a systematic and documented manner ensuring that the assets are methodically and smoothly assigned as per one's specific wishes and goals, for benefit of the next generation or the intended beneficiaries is Estate Planning.

## WHO NEEDS ESTATE PLANNING?

Estate Planning is a need for everyone irrespective of age or net worth. It is a legacy plan required for every family, tailored to suit their individual needs and goals.

## COMMON NEEDS

	<p><b>Nuclear Family: The bread earner of the family plays a significant role</b></p> <ul style="list-style-type: none"><li>• Carries the risk like untimely demise, legal battles, divorce, incapacitation etc.</li><li>• Responsibilities include providing for shelter, education and medical needs of family members</li><li>• Wealth preservation for future generations</li></ul>
	<p><b>Joint Family: Even today some families operate under this model</b></p> <ul style="list-style-type: none"><li>• Risks involved in joint families include family differences, litigations, business continuity etc.</li><li>• The major responsibilities are smooth devolution of assets to the deserving beneficiaries, provision for medical emergencies, business litigation and preservation of wealth</li></ul>
	<p><b>Entrepreneur: One Man Army</b></p> <ul style="list-style-type: none"><li>• Business risks, insolvency, sudden incapacitation etc.</li><li>• Main responsibilities include shelter, education, medical for the family members, business ownership, asset protection and wealth preservation.</li></ul>



### Senior Corporate Executives

- Potential risks arising out of corporate responsibilities, actions & decisions
- Carries the risk like untimely demise, legal battles, divorce, incapacitation etc.
- Responsibilities include providing for shelter, education medical needs of family members & ring fencing of assets
- Wealth preservation for future generations



### Differently abled Family Members: Differently abled need special care

- Special family members need continuous medical attention, asset protection
- They also need regular and continuous financial support, special education and provision for shelter



### Senior Citizens

- Old age, Healthcare, Assistance
- Mostly children are busy or abroad and find it difficult to attend to parents
- Senior citizens need a lot of assistance with growing old age
- Help related to day to day management, Banking, Medical etc.



### Couples – divorce / Separation

- Worrying couple want to ensure long term provisions done for children
- Their healthcare, education and basic needs are well planned
- Critical illness, shelter and other aspects are covered



"I suppose I'll be the one to mention the elephant in the room."



### Business Families

- Business risks, debt, sudden death, incapacitation, keyman risks
- Intra family litigations arising out of wealth
- Provision and clarity of devolution of assets and business



### Corporates

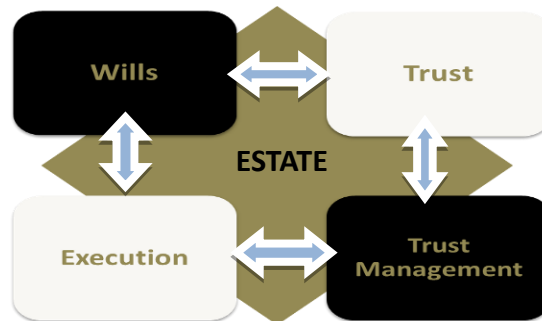
- Business risks, keyman risks
- Risks arising out of debt and PG
- Business Succession planning

	<p><b>Singles</b></p> <ul style="list-style-type: none"> <li>• Health related risks</li> <li>• Incapacitation</li> <li>• Long term financial planning</li> <li>• Devolution plan</li> <li>• Long term assisted program</li> </ul>
	<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Risks arising out of disputes between the partners</li> <li>• Sudden death or incapacitation of partner or both</li> <li>• Business succession planning</li> <li>• Keyman risks</li> <li>• Legal litigations</li> <li>• Provision for family towards healthcare, education, shelter and other aspects</li> </ul>

## ESTATE PLANNING PROCESS

Some of the common Estate Planning tools used in India:

- Will
- Family Trust



**“One generation plant the trees others get the shade”- Anonymous**

**To be Continued....** In the next Knowledge series, we introduce to you the above-mentioned methods of Estate Planning in detail.

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