














LUMP SUM GIFT ASSESSMENT TABLE

If you are contemplating make a one-off or lump sum gift to your **FAMILY TRUST**, please consider the information in this table before doing so. If you answer “YES” to any of the statements which have a  in the right-hand column, then it is advisable that you do not undertake a **LUMP SUM GIFT** but continue to manage a progressive **GIFTING PROGRAMME**.

Immediate Recourse to Assets in the Trust	
If you are comfortable with only being able to access funds and assets held by the Trust at the discretion of the Trustees, which would include any independent trustee on your trust, then a Lump Sum Gift will not affect this.	
If you want to have un-fettered and immediate ability to access funds and assets held by the Trust regardless of what the Trustees of the Trust may consider suitable, then a Lump Sum Gift may not be sensible, as it would mean you do not have the right to demand such funds or assets.	
Protection from Creditors	
If you do not have any specific or imminent personal risk and none is likely to arise in the short term future, then a Lump Sum Gift is a sensible way to protect you in the future from any potential creditor claims that you have no knowledge of at the present time.	

<p>If you are aware of potential creditor claims at the point in time you are considering a Lump Sum Gift then you can still enter into such a gift, however <u>you need to be fully aware that the disposition of those assets into the trust may be challenged and unwound by the creditor.</u></p>	
<p>Rest Home Subsidies</p>	
<p>If you are not concerned about having assets you have gifted to your trust included in the calculation by the Ministry of Social Development when considering whether you are entitled to Rest Home Subsidies, a Lump Sum Gift may be suitable.</p>	
<p>If you would prefer to retain the possibility that assets you have gifted to your Trust may not be included in the Ministry of Social Development's means testing for Rest Home Subsidies, do not undertake a Lump Sum Gift. However, please note that even while continuing to undertake a \$27,000 per annum Gifting Programme, the Rest Home Subsidy eligibility assessment could change over time.</p>	
<p>Relationship Property Protection</p>	
<p>If you are looking to protect your current assets from future relationship property claims from future partners a Lump Sum Gift along with suitable ongoing trust maintenance and ongoing separate treatment of those assets should provide asset protection of those assets.</p>	
<p>If you wish to protect your assets from claims from spouses/partners a Lump Sum Gift may provide this protection, however it should be noted that such dispositions could be challenged and a Lump Sum Gift should be contemplated in conjunction with a thorough Contracting Out Agreement with your spouse/partner</p>	

<p>Inheritances</p>	
<p>If you have received an inheritance from a family member or friend and wish to clearly keep this as separate property, then a Lump Sum Gift of that inheritance to your trust will achieve this. <u>However, a much better alternative to this is to have the donor update their will while they are alive, to automatically direct those assets to your trust on their death.</u></p>	
<p>Managing Your Estate Planning Efficiently</p>	
<p>If you want your estate planning for your children to be in a well structured and monitored fashion, a Lump Sum Gift to a Family Trust added to a well-drafted memorandum of wishes can achieve this with more certainty.</p>	
<p>Trusts with Income Earning Assets</p>	
<p>If you have income-earning assets in a Trust which you utilise for personal distributions and you are comfortable with future Trust distributions being treated as income in your hands personally, a Lump Sum Gift will not adversely impact this scenario.</p>	
<p>If your Trust has income-earning assets which you draw funds from for personal use and you do not wish to have those distributions treated as extra personal income (i.e. for means testing reasons) then a Lump Sum Gift may not be the most suitable option for you at this time, as it will remove the ability for you to receive those ongoing funds as repayments of the debt owing to you from your Trust.</p>	

Disclaimer: Please note that the table above represents information as at August 2011, and because Governmental Policy, Legislation and case law changes from time to time, the impacts noted above may not remain accurate into the future and your assessment as to whether you make a Lump Sum Gift should be made with consideration of the what the future environment could entail.