



## **Women's month – Why estate planning is important for women**

### **Introduction**

When we reflect on the meaning of women's month, we are reminded of the contribution and role women play in our society, culture and household. Women in South Africa make up approximately 51% of the population and have a life expectancy of approximately 5 years longer than their male counterparts.

One critical area that demands our attention is estate planning. Proper estate planning is not just a matter of financial prudence but is crucial for ensuring the long-term security and well-being of women and their families. This allows for preserving and creating generational wealth, particularly in a country as culturally rich and diverse as South Africa. Women play an active role in managing and planning their families' financial affairs, as well as their own. Women are always taking care of others and put off getting their own estate planning done.

In this article, we want to encourage women to first take care of themselves by focusing on the importance and components of estate planning for South African women and their families.

### **Why is it important?**

#### **1. Longevity and Medical Care:**

Women tend to live longer than men. This means that they are more likely to face medical and care needs in their later years. Proper estate planning ensures provisions are in place to handle these needs without causing financial strain. This includes setting up medical directives and power of attorney documents, which designate someone to make healthcare decisions if one becomes unable to do so.

#### **2. Financial Independence and Wellbeing:**

Women often face unique financial challenges, including wage gaps, career breaks for caregiving, and longer life expectancy. Estate planning helps to ensure that women have the resources to maintain their independence and security throughout their lives. This can include strategies for retirement savings, investment planning, and life insurance.

#### **3. Protecting Loved Ones:**

Women frequently take on the role of caregivers, whether for children, aging parents, or other family members. An estate plan provides a structured approach to ensure these loved ones are taken care of in the event of the primary caregiver's incapacity or death. This includes setting up trusts, designating guardians for minor children, and making clear directives about the distribution of assets.

#### **4. Preserving Loved Ones:**

Estate planning is crucial for preserving and passing on wealth to future generations. Women who have accumulated assets, whether through personal savings, business ventures, or inheritance, need to ensure that their wealth is efficiently transferred to their heirs. This process involves minimizing taxes, avoiding probate, and setting up trusts to protect assets from creditors and ensure they are used as intended.

#### **5. Empowerment and Peace of Mind:**

Knowing that one's affairs are in order provides immense peace of mind. Estate planning empowers women by giving them control over their financial and personal legacy. It is an affirmation of their autonomy and a proactive step towards securing their future and that of their loved ones.



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### **What are the key components to take into consideration?**

#### **1. Last Will & Testament:**

A Will is a legal document that outlines how a person's assets should be distributed after their death, as well as nominating guardians for minor children. Without a Will, the distribution of assets is left to the courts, which may not align with the deceased's wishes. A well-drafted Will ensures that assets are distributed according to the individual's preferences, providing clarity and security for their family. Appoint an Executor of your Estate to ensure that your beneficiaries receive their inheritance.

#### **2. Trusts:**

Trusts are versatile tools in estate planning that can help manage and protect assets. They can be used to provide for minor children, reduce estate taxes, and protect assets from creditors. Trusts can also stipulate conditions for asset distribution, ensuring that the inheritance is used responsibly.

#### **3. Power of Attorney:**

This document allows an individual to designate someone to manage their financial affairs if they become incapacitated. It ensures that there is someone trusted to handle matters such as paying bills, managing investments, and handling property.

#### **4. Living Will:**

Specify what medical treatment you do and do not want administered if you cannot speak for yourself. Appoint trusted family member or loved one to ensure that your health care wishes are respected.

#### **5. Beneficiary Nominations:**

Certain assets, such as retirement accounts and life insurance policies, allow for the nomination of beneficiaries. It's important to regularly review and update these designations to ensure they reflect current wishes and circumstances.

### **In Conclusion**

South Africa is a country rich in cultural diversity, with numerous traditions and customs influencing estate planning. Different cultures may have unique perspectives on inheritance and asset distribution, which should be respected and incorporated into estate planning. Thus, estate planning is a process that respects individual beliefs and traditions, while ensuring protection of financial assets and passing on wealth to the next generation. Consulting with legal professionals, familiar with South African law and cultural nuances, can help to create a comprehensive estate plan that suits your unique needs.

As we celebrate Women's Month, let's commit to empowering women with the knowledge and tools they need to secure their financial futures. Proper estate planning equips women to take control of their destiny, protect their loved ones, and ensure their legacies endure. By making estate planning a priority, women can achieve greater financial independence, peace of mind, and create a lasting impact on future generations.

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