



**SPECIALISED ESTATE
& BENEFICIARY
TAXATION SERVICES**

SPECIALISED ESTATE AND BENEFICIARY TAXATION SERVICES

As a registered and licensed tax agent, we provide specialist taxation services that enable our clients to make informed choices – whether as an executor or beneficiary – to ensure their best interests are met.

By partnering with us, clients can enhance the value of their inheritance and make the process of estate administration easier and more efficient.

OUR SERVICES (WHICH WE CAN PROVIDE SEPARATELY OR AS A SUITE) INCLUDE:

CAPITAL GAINS TAX RECORD RECONSTRUCTIONS

Rebuilding capital gains tax cost bases from incomplete and undocumented investment asset histories.

BESPOKE TAX ADVICE

Assisting with the management or reduction of potential taxation liabilities.

ONGOING TAX COMPLIANCE

Including the preparation and lodgement of income tax returns and business and instalment activity statements as well as withholding tax obligations.

CAPITAL GAINS TAX RECORD RECONSTRUCTION

UNDERSTAND EMBEDDED CAPITAL GAINS IN ESTATE ASSETS TO MINIMISE AND MANAGE TAX OBLIGATIONS

Good information always leads to better decision-making. Executors are often faced with a 'shoebox of information' that the deceased has accumulated over a lifetime of buying, selling and holding investment assets. In some cases, no information is available at all.

This is where we can assist you, as an executor or estate beneficiary, to collate, analyse and reconstruct a complete investment asset history record for capital gains tax purposes.

Our easy-to-read but comprehensive asset history reports cover:

- Asset purchase details, dates and cost bases
- Corporate actions (such as bonus issues, demergers, return of capital)
- Cost adjustments from property trust distributions.

We can also include market value at a chosen date to assist with estate distribution.

AS AN EXECUTOR...

Experience an easier, more efficient and effective estate administration process that enables you to make better-informed, tax-saving decisions.

AS A BENEFICIARY...

Receive all the vital information you need to make well-informed financial decisions on inherited assets, now and into the future.

CASE STUDY

"I inherited 2,650 Westpac shares from my dad last year. They were valued at \$77,000."

One of our beneficiary clients asked us to reconstruct her father's asset record for capital gains tax purposes, as she was completely unaware of the cost of the Westpac shares.



After conducting a thorough analysis of available documentation, share registries and tax event libraries, we discovered that her father had purchased 500 shares in Advance Bank in 1992. Since then, a number of important events had occurred including bonus issues, dividend reinvestments and two take-overs.

By the time his daughter inherited those Advance Bank shares, they had become 2,650 Westpac shares with a cost base for capital gains tax purposes of \$16,000.

Knowing that there was a gross imbedded capital gain of \$61,000 on her inherited shares, the daughter was able to make a fully informed decision on whether to hold them or sell them.

BESPOKE TAX ADVICE

GAIN KNOWLEDGE TO DRASTICALLY INCREASE THE VALUE OF AN INHERITANCE

The choices made by executors and estate beneficiaries can have major tax consequences. How an estate is distributed can adversely affect final inheritances or increase tax liabilities in a beneficiary's personal tax return for many years to come.

This is why many executors and beneficiaries turn to us. Our registered and experienced tax agents work with clients to understand their current taxation position and advise them on the best way to receive or manage their inheritances, or simply to reduce potential taxation liabilities.

Important taxation matters that executors and beneficiaries should be aware of include:

- Tax consequences of decisions to transfer or sell estate assets.
- How tax can be triggered on the disposal of principal residences and investment properties.
- The advantages of selecting particular share and managed fund parcels to reduce capital gains tax when deciding to sell inherited assets.
- How the taxable income of the estate is assessed to the estate and its beneficiaries.
- How charitable giving can be used to reduce tax payable because of an inheritance.
- The tax consequences of estates with non-resident beneficiaries.

CASE STUDY

When Kevin passed away, he left behind an \$11 million asset portfolio. The estate had one resident beneficiary and one non-resident beneficiary, each receiving a 50% share.

The default option would have been to liquidate all estate assets and distribute cash to the beneficiaries – however, taking this option would have attracted a tax liability of \$1.1 million.

So the beneficiaries sought advice from Equity Trustees on how to reduce this tax burden. With expertise in how capital gains tax affects resident as well as non-resident beneficiaries of estates, Equity Trustees analysed each individual lot and specifically allocated assets to each beneficiary.

By selecting particular assets to a total value of each beneficiary's entitlement to the estate, the tax liability became \$47,000 – a reduction of over \$1 million!



ONGOING TAX COMPLIANCE

FOCUS ON WHAT YOU DO BEST AND LEAVE THE TAX COMPLIANCE TO US

Being the executor or beneficiary of an estate can significantly increase the complexity of your existing taxation affairs. In some cases, beneficiaries who have not been required to lodge a tax return for some time find themselves suddenly obliged to do so.

Equity Trustees helps both executors and beneficiaries to prepare and lodge income tax returns and activity statements, as well as meet non-resident beneficiary taxation obligations if applicable.

As a registered tax agent, we ensure that deceased estate and/or personal income tax returns are accurately prepared to include taxable income, capital gains and any tax credits that may arise from an estate.

There are numerous advantages to having Equity Trustees prepare your income tax returns for you:

- Our comprehensive knowledge of the tax compliance requirements of deceased estates and inheritances.
- Extended tax return lodgement deadlines that can extend up to May of the following year.
- Having a direct relationship with the Australian Taxation Office should the need arise.
- The peace of mind in knowing that an experienced team of professionals is looking after your tax affairs.

OUR TEAM



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Chris has over 20 years' experience with trustee companies specialising in deceased estate and testamentary trust taxation. He has headed Equity Trustees Taxation Services since 2010. As well as being a registered tax agent, Chris is member of CPA Australia, holds a Diploma of Financial Planning and a Bachelor of Business (Accounting) from Monash University.



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ABOUT US

Equity Trustees was established in 1888 for the purpose of providing independent and impartial trustee and executor services to help families throughout Australia protect their wealth. As one of Australia's largest and oldest listed independent trustees, we offer a diverse range of services to individuals, families and corporate clients including asset management, financial advice, estate planning and philanthropic services.

In 2022, Australian Executor Trustees (AET) joined the Equity Trustees group of companies, expanding our network of offices into all major cities, and the capability of our specialist teams. Together we share a deep commitment to our purpose of helping people take care of the future.

Equity Trustees Wealth Services Limited (ABN 33 006 132 332) AFSL 234528 and Australian Executor Trustees Limited (ABN 84 007 869 794) AFSL 240023 are part of the EQT Holdings Limited (ABN 22 607 797 615) group of companies, listed on the Australian Securities Exchange (ASX:EQT).

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