

## YOUR MONEY SORTED



# APPOINTING GUARDIANS

By LETITIA WATSON

Send suggestions for topics and requests for info to [yourmoney@you.co.za](mailto:yourmoney@you.co.za). We may answer your questions in this column but won't reply personally.

Did you know godparents aren't legal guardians? So make sure your children are properly provided for in your will

### GODPARENTS VS GUARDIANS

Yes, there's a difference – godparents' role in your children's life is limited to guiding them spiritually and socially. They have no legal rights and accordingly no legal obligations towards your children should you die. It's vital to appoint guardians in your will who will be responsible for your children's care. They must be people you trust to do a good job. Before appointing them, check that they're prepared and able to take on this responsibility.

### GUARDIANS' ROLE

If you die your children's legal guardians must care for them physically, emotionally and financially until the age of 18. The guardians for instance decide where the children live and go to school. Clive Hill of Sanlam Trust suggests you motivate your choice of guardians in your will. If both parents die, the master of the high court takes the recommendation into account and confirms the guardianship. Ideally you should appoint guardians who share your values and background.

### TESTAMENTARY TRUSTS

You can specify in your will who must manage your children's inheritance. Usually they're trustees of a testamentary trust. Any assets you leave to your children are kept in the trust to provide for their care. CFP® financial planner Prem Govender says a testamentary trust is created at the end of winding up an estate. In the meantime the executor ensures funds for kids' care. Alternatively the money could be transferred to the Guardian's Fund (see below).

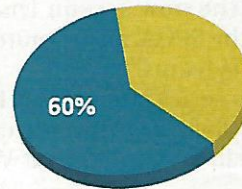
### IF YOU DON'T MAKE PROVISION ...

If you don't appoint guardians the master of the high court decides who raises your children. If minor children are made the direct beneficiaries of property and proceeds from investments their inheritance is kept in the Guardian's Fund, a public entity that's administered by the master, until they're 18. The funds are invested in low-interest investments, so the proceeds are low, which could be a disadvantage to your children, Hill warns.

## 5 QUESTIONS ABOUT YOUR CHILDREN'S CARE

- 1** What happens if only one parent dies? The other biological parent automatically becomes the legal guardian even if the parents were divorced.
- 2** Who does the master of the high court consider as guardians? If no guardian has been appointed the master considers the children's closest living relatives for this role.
- 3** Can the testamentary trustees also be guardians? Yes, but rather appoint guardians who aren't also trustees so there's no conflict of interest.
- 4** How do you make financial provision? Speak to a financial adviser. A life policy also helps.
- 5** Where do you get advice? Attorneys, trust companies and bookkeepers who specialise in estate planning can advise you.

## 60% DON'T SAVE FOR CHILDREN



The majority of South Africans don't make proper provision for their children's future. Sixty percent of parents don't save for their children's education and training, the 2015 Old Mutual Savings

& Investment Monitor reports. But 53 percent of parents do make provision for their own funerals.

**TIP!** Regularly reassess your choice of guardians for your children because people's circumstances change.

### GET MORE HELP HERE

- justice.gov.za
- investopedia.com
- fisa.net.za

*Man cannot leave a better legacy to the world than a well-educated family*

- ENGLISH PREACHER AND AUTHOR THOMAS SCOTT