

Trusts & Appointor Information

If you have a family trust, a unit trust, or any other type of trust structure, your executor needs to know about it.

Trusts are common in Australia, especially for families with businesses, investment properties, or significant wealth. They're used to protect assets, minimise tax, and control how money is distributed to beneficiaries.

But trusts are also complex. And if your executor doesn't understand how your trust works, or who controls it, things can go very wrong very quickly.

This section helps your executor understand your trust structures and know who to contact for help.

What is a trust?

A trust is a legal arrangement where assets (money, property, investments, businesses) are held by a trustee for the benefit of beneficiaries.

Think of it like this:

- The trustee is the legal owner of the assets (they hold them "in trust")
- The beneficiaries are the people who benefit from those assets (they receive income or capital)
- The appointor (or principal) is the person who controls the trust (they can hire and fire the trustee)

Trusts are often used because they offer tax advantages and asset protection that you don't get from owning things in your own name.

Types of trusts in Australia:

Discretionary family trust. The most common type. The trustee decides each year who gets what income or capital from the trust. This flexibility allows for tax planning (distribute income to family members in lower tax brackets). Most family trusts are discretionary.

Unit trust. Similar to shares in a company. Each beneficiary owns "units" in the trust, and income is

distributed according to how many units they own. Less flexible than a discretionary trust, but more predictable.

Testamentary trust. This type of trust is created in your Will and only comes into effect after you die. It's used to protect assets for young children, beneficiaries with disabilities, or to manage tax-effectively.

Self-Managed Super Fund (SMSF). Technically a type of trust, but it's covered in the Superannuation section. If you have an SMSF, note it there, not here.

What's an appointor, and why does it matter?

The appointor is the person who controls the trust. They have the power to:

- Appoint (hire) and remove (fire) the trustee
- Effectively control who benefits from the trust

The appointor is often more powerful than the trustee. If the appointor dies without a replacement appointor being appointed, the trust can become frozen or fall into the wrong hands.

If you are the appointor of a family trust, it is worth planning who takes over the role after you die. Depending on how your trust deed is written, this may be dealt with in the deed itself or in your Will. Your accountant or solicitor can tell you what applies to your trust.

WHY THIS MATTERS

If you control a family trust and you don't plan for what happens when you die, your family could lose control of millions of dollars.

Your executor needs to know:

- What trusts you're involved in
- Whether you're a trustee, beneficiary, or appointor
- Where the trust deed is stored
- Who the accountant is (they'll need professional help)

Trusts are complicated. Don't leave your family guessing.

Your Trusts & Appointor Information

Trusts don't end when you do. Your executor must know they exist and who keeps them running.

TRUST 1

TRUST NAME

TYPE OF TRUST

TRUST ABN

DATE ESTABLISHED

YOUR ROLE

OTHER TRUSTEES

WHO BECOMES APPOINTOR AFTER YOU

BACKUP APPOINTOR

WHAT THE TRUST OWNS

APPROXIMATE VALUE OF ASSETS

BENEFICIARIES

TRUST 1: ACCOUNTANT

Your executor MUST contact the accountant. Trusts have ongoing tax and legal obligations.

NAME

FIRM

PHONE

EMAIL

Your Trusts & Appointor Information (cont.)

TRUST DEED STORED AT

FINANCIAL RECORDS STORED AT

TAX RETURNS STORED AT

TRUST 2

TRUST NAME

TYPE OF TRUST

TRUST ABN

DATE ESTABLISHED

YOUR ROLE

OTHER TRUSTEES

WHO BECOMES APPOINTOR AFTER YOU

BACKUP APPOINTOR

WHAT THE TRUST OWNS

APPROXIMATE VALUE OF ASSETS

BENEFICIARIES

TRUST 2: ACCOUNTANT

NAME

FIRM

Your Trusts & Appointor Information (cont.)

PHONE

EMAIL

TRUST DEED STORED AT

FINANCIAL RECORDS STORED AT

TAX RETURNS STORED AT

TESTAMENTARY TRUST (CREATED IN YOUR WILL)

A trust your Will creates, e.g. to manage assets for children until a set age.

PURPOSE OF THE TRUST

TRUSTEE

APPOINTOR

BENEFICIARIES

SOLICITOR NAME

SOLICITOR PHONE

NOTES: ANYTHING ELSE ABOUT YOUR TRUSTS