

Make a Wish – the use of informal statements in guiding your succession planning



Over the past year many of us have found ourselves at home with varying amounts of time on our hands. In the context of such uncertain circumstances this may have resulted in thoughts turning to our own mortality. These thoughts were not uncommon before but the way in which all generations have been forced to pause for breath is exceptional.

Thankfully, the news is becoming more positive and as restrictions start to ease we can start to plan for the future once more. For many life remains a little less hectic than pre-pandemic and this gives families a unique opportunity to have open discussions about the future and ongoing transition of wealth between generations.

Ensuring this transition is transparent and clear is often the most effective way of avoiding conflict and keeping up momentum. This is true both in planning the transfer of wealth and assessment of the most suitable mechanisms which can achieve this.

Perhaps any planning is newly framed by the context of the unpredictability of the last year. Having flexible structures, particularly in Wills, is always necessary. Complexities in your situation may require a complex structure, and with good reason, but an overly rigid structure can leave those left behind unable to react to the reality of the situation at the time.

Letters of wishes are a powerful tool

When it comes to writing down your hopes for your inheritance, non-binding statements contained in letters of wishes accompanying your Will are a very effective and powerful tool. They are more accessible for those



dealing with your estate and there is more scope for transferring your personality onto the page. Whilst they should remain personal to you, involving the family in their evolution will also manage expectations.

There is also the added benefit that these statements can be updated relatively easily as family and finances develop. Further letters can amend your guidance without the need to sign new formal documents. This is particularly relevant in the context of the ongoing transition of wealth between generations as it allows you to make changes in a cost efficient way as discussions within the family evolve.

The letter of wishes has another very important function as a road map for more intricate lifetime structuring and transition of wealth.

A will is still essential

That being said, putting in place the Will with a letter of wishes should always be top of the agenda when starting any succession planning. Any non-binding statements must support, not replace, a formal Will. Your Will transfers your assets to those you most trust to carry out your wishes and ensures they have sufficient powers to administer your estate. It can be tailored to align with how much discretion, or control, you would like to afford your family.

Whilst the current crisis may have forced all generations to stop, the transition between them is constantly evolving. Using this time to set up a structure which can withstand changes in your circumstances may prove very beneficial in the coming months and years when our lives are in overdrive once more.

How we can help

If you'd like more information on the issues discussed in this article please contact [Greg Fletcher](#).

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