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NATIONAL
CONFERENCE
2024

CASE
STUDY

BRISBANE CONVENTION **21-23**
& EXHIBITION CENTRE **FEBRUARY**

Russ

Russ is a professor of archaeology with a stable income. Russ is disciplined about savings, aware of the need for financial stability for his children. He has a conservative approach to investment and is most interested in stable, long-term growth assets like property, blue-chip shares and bonds.

He has had a turbulent personal life with multiple marriages and divorces. These have had financial implications, including settlement costs and ongoing child support. He has children from different relationships and must consider their future in his financial planning.

He is keen to reach an agreement with his ex-wife Carla, and split assets so that he can focus on rebuilding his wealth. What's making things difficult is that he is in a three member SMSF with Carla and Suzi (Carla's new wife). The main asset of the Unagi SMSF is a farming property which was purchased when Russ was the sole member/trustee of the SMSF given his appreciation for agricultural changes over time and soil science.

Post-divorce, Russ is keen to maximize his super contributions, taking advantage of any concessional tax treatment. Russ is also open to all alternative investment vehicles that will look after his children, even upon his death.

He is mostly concerned about his estate plans, especially as he wants to provide equally for his children, Benji and Ella. With children from different relationships, he acknowledges that ensuring equitable distribution of his assets is complex and that he needs advice.

As a very cautious and conservative investor, he is also keen to get advice to ensure he gets the right insurance cover. He feels life insurance is essential to provide for his children in the event of his death or if he's unable to work due to illness or injury.

Racquelle

Racquelle is a fashion enthusiast who progressed from a waitress to an executive in the fashion industry, having a fluctuating career trajectory with potentially variable income levels.

Racquelle's income has increased significantly since her days as a waitress, but she is concerned that as a casual employee she did not accumulate any superannuation. She is also worried that she enjoys a luxurious lifestyle and is often drawn to more trendy and potentially volatile investments, like overseas investments, high-end real estate or shares in emerging fashion companies.

She has a daughter, Ella, with Russ, which necessitates careful planning for her long-term financial security, especially since she is a single mother.

As she navigates her career highs and lows in the high-stress environment of the fashion industry Racquelle is also worried about her mental health although things have been a lot better since she started dating Dr Ray and they are already discussing a future together.

Dr Ray

Dr Ray is a very successful and wealthy neurosurgeon. He has always led his life drawn to high-risk, high-reward investments which have paid off over the years but having met Racquelle he wants to settle down and simplify his complex financial structures, perhaps even start an SMSF.

Ray also comes from a large Italian family and knows that as one of eight children, he is worried that his future inheritance might need to be divided among all the siblings, bringing up dispute issues related to estate division, taxes, and family dynamics.

Marsha & Chester

Marsha is known for her culinary skills and a career as a chef that has had its ups and downs. Known for her frugality, Marsha is a saver and very particular about where her money goes but has been known to make some bad investment decisions in the past.

Marsha runs a 50's style diner with her long-time friend and business partner Phyllis. The diner struggled to stay open during the pandemic and fell behind on general expenses as well as PAYG and SG obligations for staff.

Marsha is married to Chester.

Chester, having worked in a steady corporate job in IT, accumulated superannuation savings and established the Bing-a-Ling SMSF some years ago. Once married to Marsha, she too became a member of the Bing-a-Ling SMSF. Chester had a love for property investments and convinced Marsha to buy the diner premises through the SMSF, funded by an LRBA.

Since the birth of their adopted twins, Jake Jnr and Erin, they had focused on contribution strategies to help them grow and equalise their super balances to maximise their retirement savings.

Sadly, Chester was recently in a fatal car crash, and it is unclear if he even had a Will or left any instructions to the SMSF trustees. The only discussion Marsha recalls is Chester appointing his flamboyant father Charlie, as his Enduring Power of Attorney sometime after they were married.

Jake and June

Jake and June are the parents of Russ and Marsha. They are financially stable and are both in receipt of a pension from the Yeller SMSF. They are debt free with a lovely seaside home and a unit in the heart of the city which their daughter, Marsha, lives in.

June and Jake are often critical of Marsha showing a clear favouritism towards Russ however given Marsha's organisational skills they have appointed her as their Executor in their Wills.

Jake is reasonably healthy but did suffer a heart attack a couple of years ago which has left him too scared to drive his Porsche. June is starting to show the onset of dementia.

Jake is willing to explore aged care options as it is all very overwhelming.

Charlie and Norma

Charlie and Norma are Chester's parents. They divorced when Chester was very young but always put their differences aside to support their only child.

Norma is a successful author who has financial security and is considering whether it is time to retire and start drawing on her superannuation savings.

Charlie is an aspiring stage performer, living pay day to pay day, having never accumulated much wealth given his extravagant lifestyle and unpredictability of his performing gigs.

Phyllis

A masseuse and beautician with a mix of variable income streams, Phyllis is quirky and always willing to help others. Phyllis has strong ethical beliefs and having lived on the streets, she has a strong empathy for those less fortunate, so she always displays an interest in philanthropic causes.

Phyllis is not driven by material wealth but is conscious of the need for financial security which is why when she found a thumbtack in a soft drink can and received a healthy settlement from the soft drink company, she used it as an opportunity to save for her retirement as the sole member of the Smelly Cat SMSF.

Her grandmother, Fran recently passed away and Phyllis inherited her apartment and a taxi licence. She now leases both of these assets to provide her with sufficient supplementary income.

Phyllis believes she is financially stable. Her goal is to smoothly disengage from her business dealings with Marsha in an effort to salvage their friendship.