

Resolutions

By this time of the year most of our new year resolutions will have been cast aside. However, there are a number of issues which we should all resolve to do or not to do as the case may be to put our legal affairs in order. Some are :-

- 1) Everyone should have a valid up to date current will. It cannot be stressed how important it is to have a will. Many will not have reviewed theirs since the introduction of the latest version of the Property Relationships Act which has had a major impact on wills.

The penalty for not having a valid current will is that your estate will be distributed in accordance with the Administration Act and there are many people who would not want that to happen. The rules in the administration are arbitrary and not always fair to the parties involved.

- 2) At the time of reviewing a will, it is a good idea to execute enduring powers of attorney for both care and welfare and property. These documents remain in force if the person making the power of attorney has an illness or an accident which affects their mental ability. If there are no enduring powers of attorney and the property has to be sold or a bank account closed, it is necessary to apply to the Court for an order to do whatever is required. Needless to say, applications to the Court are expensive and the main people to benefit are the lawyers involved.
- 3) Look into medium/long term estate planning. Ask yourself where you want to be in ten years' time and set up to achieve those aims. There are a number of organizations and companies who will be gladly advise you on the advantages and disadvantages of your proposals.
- 4) If you are contemplating entering into a relationship make sure you enter into an agreement before cohabiting or getting too serious with your other party with a view to preserving your assets in case the relationship does not work out. An agreement should not be regarded as greed or selfishness but purely as an insurance to cover the preservation of assets should the relationship fail. Few of us would buy a new home and not arrange insurance on it before we move in. This author is of the view that your relationship is more likely to break down than your house to burn down.
- 5) Never ever enter into a guarantee to guarantee the debts of a third party unless you are fully prepared to assume responsibility to the creditor for payment of the debt. The creditor does not have to exhaust its remedies against the original debtor. It can take action against the debtor or the guarantor as it sees fit. I have seen many guarantors upset at having to pay the debt of another when it appears to them that the debtor has escaped paying the debt.

So be advised the legal world is a mine field of pitfalls for the unwary. Ignorance of the law is no excuse and a laid back attitude can be very costly for the people involved.

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