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YAMAN Coach™

EMPOWERING YOU

A will I'll make, a will tonight

by PFA

While things are not yet fully back to normal and you may have some time on your hands, why not write your last will and testament.

A last will and testament allows for the legal and equitable distribution of your estate when you depart for your ultimate destination, so to speak. Such orderly transfer of your estate will minimize potential conflicts among your heirs, help minimize the transfer taxes and even work towards preserving your estate.

A few definitions are in order. Firstly, your estate is the entirety of your properties whether real, monetary or intangible wherever they are located. So, even your properties located outside of the Philippines will form part of your estate.

There are two types of estate transfers or succession, either via a last will and testament (testate) or by operation of law (intestate) should you depart from this life without a will. When the succession is via a will, you as the testator must be of sound mind.

It is only with a last will and testament that you can exercise your "free will" because sharing

formulas automatically provide a free portion that you as the testator can leave as inheritance to anyone who is not legally disqualified from receiving a portion of the estate. It is also through wills that you can disinherit a compulsory heir. But please note that there are very tough requirements for disinheriting compulsory heirs.

With intestate succession, all of your estate is distributed according to legally set out sharing formulas.

Under a last will and testament, that portion of your estate that is reserved for your compulsory heirs is called legitime. Your legitimate children (including legally adopted children) and descendants are your primary compulsory heirs. Your surviving spouse and recognized illegitimate children are your concurrent compulsory heirs. Your surviving parents and ascendants are your secondary compulsory heirs and will receive their share, as if they were primary compulsory heirs, only if there are no primary compulsory heirs.

There are two types of wills. A holographic will is one where you as the testator prepares a signed, fully handwritten will. A notarial will

is more strict in that it needs to follow a certain format, must be signed by witnesses and, you guessed it, must be notarized.

A natural pre-requisite to writing a last will and testament is that your papers must be in order. You will need to know the location of the transfer certificates of titles for your real property, life insurance policies, pre-need policies (e.g. funeral service and burial/cremation plans), investment contracts or statements of accounts, trust agreements, and many more.

Wills need to be updated as frequent as once a year to take into account additions or reductions in the number of heirs, additions or deletions to your list of properties, and changes in asset market values, among others.

There is more to writing wills than what has been discussed. In fact, there are other estate planning devices out there aside from wills. To be sure you cover all bases, talk to an estate planning lawyer or experienced financial planner.

Still, a will is one of the most effective tools in estate planning. So, why not write one today to have one less worry when you become busy as things go back to the old normal.

Editor's Note

Efren Li. Cruz, RFP®
Editor-in-Chief

Expertise vs. Experience

At PFA, we use the SET rule for investing directly in the capital markets. S is for sizeable funds. E stands for both expertise and experience. T is the time a person has available to manage his investments 24/7.

Some have said that expertise and experience are the same. Merriam-Webster defines expertise as “the skill of an expert.” On the other hand, Merriam-Webster defines experience as “practical knowledge, skill, or practice derived from direct observation of or participation in events or in a particular activity.”

To further differentiate the two, there was a computer expert who was bringing his spanking new laptop into a building that had strict rules on equipment that was being brought in. The lady guard asked the computer whiz for the laptop's serial number. The expert was not familiar with where the serial number was stamped on his new gadget. Having seen such gadget before, the lady guard simply pointed to the back part of the laptop underneath the built-in kick stand. The computer whiz may have been the expert. But the lady guard had the experience.

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papers are located and let them know that you are shining down on them from heaven and that you'll be together again one sweet day.

Just as long as we have love – You may not have a mansion on a hill or a million stashed away. Still, it would be best to have an updated last will and testament to help pass on with minimal taxes the estate you will leave behind and avoid conflicts between your heirs. Add to that a living will that leaves instructions on how to deal with your life and death medical condition when you are not able to decide for yourself (e.g. when you are in a coma).

As sure as I'm standing here – Get adequate life insurance coverage with the health insurance riders appropriate for you. Unlike with investments, you do not make a bet with life insurance. It is the life insurance company that makes a bet that you will live a long and healthy life while standing ready to financially protect your loved ones should you be called from this life early. And since death is unavoidable, you will be getting coverage on a sure thing. You'll never have to be afraid as the life insurance company will try to help your family find their way.

Enjoy your sherbet with these sure bets. Just remember not to overdo it as over preparing, like with eating too much sherbet, may also be bad for your (financial) health.

Major crises come in a pattern, appearing almost every ten years: the Asian Financial Crisis in 1997, the Global Financial Crisis in 2007 and now CoVid-19 in 2019. Can you imagine leaving your loved ones unprepared to fend for themselves? So, how do you prepare for the next major crisis?

There are times when you just want to kick off your shoes and enjoy a solitary moment without a care in the world. During that time, the go to food would be ice cream. And if you want that cool dessert without worrying about the fat and cholesterol, sherbets would be the natural thing to have. So, here are some musical tips to help you enjoy your sherbet.

Through the fire – You will need to set aside funds that can cover you for emergency situations from simple flat tire repairs to hunkering down under quarantine against virus attacks. While the usual advice is to set up emergency funds equivalent to at least 3 months of your expenses, given our current pandemic, it would be best to keep at least 12 months of expenses. And because the amount of emergency funds will be large, there is even more reason to keep them in earning liquid instruments like time deposits and Treasury bills. Having sufficient emergency funds will get you through the fire, through the limit and through the wall.

One sweet day – Your loved ones will be emotionally distraught if and when you are called from this life. As they will not be in the best state of mind, having a paid-up plan for your funeral service, cremation or burial would be ideal. Just make sure you tell your family where the original

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To know more about becoming a **YAMAN Coach™**, contact us at:
yaman@personalfinance.ph
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