



[Disclaimer – The articles in this newsletter are information only and do not constitute legal, superannuation or financial advice]

Structuring your estate to maximise its value is a critical aspect of good Estate Planning. In this issue we look at some recent increases in Government taxes, and some strategies to work around them.

Plus breaking news - An amendment to the *Duties Act 2000* (Vic) yesterday (December 3) will make it easier for eligible people with a disability to access home buyer duty benefits. See page 3 for further details.

Is Land Tax another reason to establish a Special Disability Trust now?

In January 2024, the rates Land Tax payable for non-exempt properties in Victoria significantly increased. Additionally, the tax-free threshold based upon the value of the property dropped from \$300,000 to \$50,000. Now almost all owners of investment property pay land tax.

Land Value	2023 Land Tax General Rate	2024 Land Tax General Rate
Less than \$50,000	Nil	Nil
\$50,000 to < \$100,000	Nil	\$500
\$100,000 to < \$300,000	Nil	\$975
\$300,000 to < \$600,000	\$375 plus 0.2% of amount > \$300,000	\$1,350 plus 0.3% of amount > \$300,000
\$600,000 to < \$1,000,000	\$975 plus 0.5% of amount > \$600,000	\$2,250 plus 0.6% of amount > \$600,000
\$1,000,000 to < \$1,800,000	\$2,975 plus 0.8% of amount > \$1,000,000	\$4,650 plus 0.9% of amount > \$1,000,000
\$1,800,000 to < \$3,000,000	\$9,375 plus 1.55% of amount > \$1,800,000	\$11,850 plus 1.65% of amount > \$1,800,000
\$3,000,000 and over	\$27,975 plus 2.55% of amount > \$3,000,000	\$31,650 plus 2.65% of amount > \$3,000,000

Many property owners find that the holding costs of investment properties are becoming prohibitively expensive, and a disincentive to ongoing ownership. Many are looking for new ways to manage or transfer their wealth.

Persons intending to gift an investment property to a Special Disability Trust upon their death (ie. through the vehicle of their Will) may wish to re-visit whether there might be cause to bring forward the establishment of a SDT and the gifting of an the investment property to that SDT, to the present.

If the eligible Beneficiary lives in the gifted property as their principal place of residence, an exemption from land tax is thereafter available to the trustees of the SDT. (However, please note that the SDT trustees must apply to the State Revenue Office in order for this exemption to be available. Duncan.Legal can assist with this).

The SDT Unit in Centrelink has seen a rise in the number of properties in Victoria being transferred to SDTs this year. We at Duncan.Legal are witnessing this trend also.

There are a number of other significant stamp duty and CGT advantages of gifting an investment property to a SDT.

Gifting a property to a SDT in your lifetime is a complex decision that requires careful research before committing to this course. If you wish to explore this option we recommend that you seek professional advice from both your financial advisor and your solicitor.

To date, Duncan.Legal has assisted many clients establish SDTs and to transfer complex assets. We would be delighted to assist you with your planning.

Increase in Probate Fees – keeping assets in or out of estate?

Probate fees are calculated relative to the value of the deceased estate as at the date of death.

On 18 November 2024 the costs of obtaining a Grant of Probate (or Letters of Administration) in Victoria underwent huge increases, other than for estates valued at less than \$250,000.

Value of estate	Probate fees <u>prior</u> to 18 November 2024	Probate fees <u>from</u> 18 November 2024	approximate % increase
Less than \$250,000	\$68.60	\$0	-100%
\$250k but less than \$500k	\$68.60	\$514.40	650%
\$500k but less than \$1 million	\$367.40	\$1,028.80	180%
\$1 million but less than \$2 million	\$685.90	\$2,400.50	250%
\$2 million but less than \$3 million	\$1,502.40	\$4,801.00	220%
\$3 million but less than \$5 million	\$2,318.90	\$7,185.20	210%
\$5 million but less than \$7 million	\$2,318.90	\$12,002.60	418%
\$7 million or more	\$2,318.90	\$16,803.60	625%

The impact of the new fees (particularly for larger estates) may be a factor to be considered at the estate planning stage.

The value of a deceased estate is based upon assets that the deceased person held personally as at the date of death. In planning, Willmakers may consider ways to divest themselves of significant assets prior to death in order to keep them out of the estate and thereby reduce the probate fees applicable.

Such strategies could include:

- Gifting a property or shares to a SDT (or other beneficiary) in your lifetime;
- Making a binding death benefit nomination in relation to superannuation death benefits and life insurance to pay direct to a beneficiary rather than to the estate;
- Building wealth in a family trust

Additionally, an Executor (or a person applying for Letters of Administration) would need to be able to pay the fees upon making the application, but before they legally have access to the deceased person's funds. This may mean that Executors and potential Administrators have to pay the fees from their own cash reserves. This may operate as a disincentive to people being willing to take on the role of Executor or Administrator.

Willmakers with large estates may need to consider making informal arrangements with the persons they appoint as Executors to allow for this contingency.

Expanded Stamp Duty Concessions for Homebuyers with a disability

The *State Taxation Further Amendment Act 2024 (Vic)* received Royal Assent on 3 December 2024.

The Act introduces changes to the *Duties Act 2000 (Vic)*, providing expanded access to home buyer duty benefits and the First Home Owner Grant for people with legal disabilities and Special Disability Trusts.

The *Duties Act 2000 (Vic)* is amended to enable the **pensioner and concession card duty reduction** to apply to the purchase of a home by the guardian of a person with a legal disability who is an eligible cardholder, or to the purchase of a home by the Trustee for a Special Disability Trust where the principal beneficiary is an eligible cardholder. It also applies equivalent amendments to the **first home buyer duty concession** or exemption in similar circumstances where the principal beneficiary is a first home buyer.

Similarly, the *First Home Owner Grant and Home Buyer Schemes Act 2000* is amended to allow the **first home owner grant** to be paid on the purchase of a home by the Trustee of a Special Disability Trust where the principal beneficiary is an eligible first home buyer.

For further information on these concessions please consult the Victorian State Revenue Office website.

Webinars

In 2025 Duncan.Legal is again offering the opportunity for specialist schools and disability organisations to host 1 or more of our very popular webinars.

Held usually in the evenings with a start-time of 7pm, we invite you to host an evening packed with information on:

- **Disability Estate Planning** (approx. 1 hour plus question time)
- **Special Disability Trusts** (approx. 45 mins plus question time)
- **Supported Decision Making** (approx. 45 mins plus question time)

Our **Disability Estate Planning** webinar is designed for people that have disability in their family. The **Special Disability Trusts** webinar provides information for people with beneficiaries that have moderate to extreme ID and the **Supported Decision Making** webinar is for families of people over 18 with mild ID.

Our live **Supported Decision Making** webinar has recently been extended to include Supportive Guardianship & Administration information.

We have several bookings already secured for 2025!

If your organisation or school would like to book one of our informative webinars, please get in touch.

Duncan.Legal Christmas Closure Times

Duncan.Legal will be closed from 5pm on **Thursday, December 19** and will re-open on **Monday, January 6**.

Marg and Lee extend their sincere thanks to all of their clients for supporting Duncan.Legal in 2024 and wish everyone a very Merry Christmas and a happy & safe New Year.



Estate Planning Audit

Disability Estate Planning can be a complex and daunting undertaking for many families. To assist you to understand the complexities and to provide you with some options, Duncan.Legal offers all clients an Estate Planning (EP) Audit with the **first ½ hour of the first appointment free-of-charge**. This initial appointment can be held in person or via teleconferencing (Zoom).

At the end of the appointment, we can provide you with a written estimate of the cost to update your estate plans (Wills & Powers of Attorney etc). There is no obligation to proceed.

Take the first step in your Estate Planning or update your existing plans to better reflect your family's situation! To arrange your EP Audit, contact Lee on 9077 7731 or email leesmart@duncanlegal.com.au



Duncan.Legal Webinar Recordings

'Disability Estate Planning' Webinar	\$99.00 (incl GST)
'Special Disability Trusts' Webinar	\$99.00 (inc GST)
'Supported Decision Making' Webinar	\$99.00 (inc GST)

Click to visit our [Webinar Shop](#)

The cost of ordering our informative webinars can now be claimed under training for carers on a participant's **NDIS Plan** (so long as the training is relevant to a participant's stated goal that is funded). Contact us to request an invoice/receipt - the relevant line item for our webinars is:

Capacity Building – Improved Daily Living – Other Supports

15_038_0117_1_3 Training for carers in matters relating to caring for a person with a disability



Scan this **QR code** to:

- **Request more information** on any topic in this newsletter
- **Book an appointment** or
- **Request a call-back**

We will get back to you as soon as possible.



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