

Succession Planning

Farming families & the generational challenge

The dilemma

Family farms can fall into a special category when it comes to the current owners wanting to retire and pass on the farm to a child or children.

Are you hoping to retire sometime soon? Do you have a child (or children) who has been working on the farm for a while now and they are starting to wonder about their future?

Most of our clients want to preserve their wealth not only for themselves but for future generations. However, you see a conflict.

How do you provide assets and income for your retirement while providing certainty for the “incoming” proprietor (your child) and their family?

And of course, long term how do you provide estate assets for your family, particularly your other non-farming children?

Ensuring fairness amongst children is a key issue for most clients. Further to that, ensuring our clients understand their obligations in this regard is something we see as an important part of our role.

This latter issue is one that we believe needs serious consideration because we want to help you avoid a challenge



to your estate.

The issues

Can your child afford to buy you out? If not, or not completely, how will you be able to enjoy your retirement?

And of course not all children want to be involved – If you have other children “off the farm” what happens to them?

What if the home is on the farm? Where will you live? If you stay, where will your child who takes over, live? Especially if they start, or already have, a family?

What if you have a family trust for example, and it has other assets in it, not connected to the farm?

What if your child has been working for less than market rates? Is he or she entitled to anything? More so than your other children? Again, this is a potential issue to consider under an estate challenge.

Revenue from farming can be uncertain. You have to deal with droughts and floods let alone changes in supply and demand. And of course, the economy and GFC have played havoc with a lot of business plans. So if you can't rely on an even income stream what do you do?

Your goals

You want to maintain family harmony. You want to retire and enjoy life. You want the farm to continue – after all it's part of your legacy. Essentially, you want an achievable solution – one that will work for everyone.

Here at Irongroup Lawyers we understand these issues. We have dealt with hundreds of clients over the years

facing the problem of succession planning. Our experience in this area means we have developed a range of solutions to solve these problems. Of course, each client is different, and faces different challenges.

Solutions

To assist you with your succession plan, we have developed a range of solutions for families to address a combination of elements.

- We work closely with you to understand your goals and your particular family scenario.

- We bring our strategic planning experience and a range of possible solutions tailored to your particular circumstances.

- And finally, once all elements have been agreed upon, we provide the legal solutions to ensure effective implementation.

That might include legal documents and agreements effective now. It often also includes Wills with testamentary trusts and Powers of Attorney that are interconnected with the legal documents. It all depends on what we believe is best for you, and of course, what solutions you would like to implement.

Contact us

We work with farming families around the country and would be happy to set up a time for a “no obligation” discussion with a lawyer to help you start this process.

If you would like to do that, or would just like to know more, please contact us on 03 8621 9000. We would be pleased to hear from you.