Dementia: Questions and Answers

Loren Godet, Trust Officer, answers some of the frequently asked questions about Dementia.

Q: Why do my spouse and I need two individual bank accounts? It is cheaper to have one bank account and for her to have signing power.

A: Generally, it is best practice from an estate point of view. The bank will close all bank accounts once the executor notifies them of the deceased person, irrespective of signing powers. This could be detrimental to the surviving spouse, especially when the surviving spouse has been diagnosed with Dementia and has no active bank account.

Q: Why should I disclose my spouse’s Dementia diagnoses to my Trust Officer?

A: Your Trust Officer can advise you and your family of the correct steps to follow. We are here to help you and protect your family’s assets from potential adverse financial actions. Making provision now rather than later means we can plan should the dementia progress over time, or plans can be made before the Dementia is diagnosed.

Q: Our son lives abroad, and our daughter lives far away in another province. I am concerned for my spouse should I be diagnosed with Dementia. I take responsibility for my finances and fear my spouse will not cope. How can Personal Trust assist us?

A: Our Wellness consultants can assist by finding suitable care and/or housing, should it become necessary, and they will offer other support as needed. Your Trust Officer and our wellness consultant will work together.

Q: I pay most of our accounts by debit order, and a few online bank payments where the amounts differ from month to month. I am concerned about fraud and my spouse is not internet savvy. Can Personal Trust assist us should I be diagnosed with Dementia?

A: Yes, we can assist with retirement village fees for example, provided we have enough cash in your portfolio to assist with the monthly payments. We pay based on an invoice and your instruction. We understand some clients are nervous of internet banking or do not have the facilities or perhaps become immobile and not capable of going to the bank for payments. In addition, start including your spouse and slowly hand over payments and financial matters so that he/she feels empowered and not suddenly overwhelmed by the new responsibilities.

Q: Personal Trust holds our Wills and are the appointed executors. Should we remove my spouse as co-executor after she has been diagnosed with Dementia?

A: Yes, although we can’t amend her Will, it is best to remove her as co-executor from your Will. Please speak to your Trust Officer regarding your Will amendment. Removing your spouse as co-executor will not impact how we administer your deceased estate in future. Our Estates Department will remain responsible and inform the heirs throughout the estate process of any progress. Please contact your Trust Officer should you have any further questions. Our Wellness consultants, Pepe Cooper and Toni Tackton, work closely with both our clients and their Trust Officers and are available for home visits.

SNIPPETS

Keith Scott, Trust Officer, tells us how the US-China Trade War will affect South Africa.

THE IMPACT OF THE US-CHINA TRADE WAR ON SOUTH AFRICA:

South Africa and China have diplomatic ties stretching back 21 years; we are also China’s largest trade partner in Africa — accounting for between 1/3 and 1/4 of all the trade China does with Africa. The Chinese have even gone as far as to update our status with them to a “Strategic Comprehensive Partner”! We also enjoy close ties with them through the BRICS trade block and fall under the same Emerging Markets umbrella.

Regardless of the outcomes of the trade war with USA, China is expected to continue with its global strategy which includes trade with Africa and South Africa. However, the trade war will have an economic impact on South Africa even if China and the US continue to trade with us.

There are two main outcomes that are possible with the trade war, both with varying impacts for South Africa:

- **All Out “War” – Probability: Unlikely**
  - In the event of no deal being struck and hugely increased hostility between the US and China, we will likely see huge downward pressure on the prices of carbon-based steel raw materials and commodity base materials in the short to medium term. This will erode the value of South Africa’s exports and have a negative effect on our GDP and growth.

- **Truce/Deal – Probability: Likely**
  - This will be a positive outcome for South Africa as global trade sentiment will improve significantly. This may be limited to the short term, because there remain many unresolved issues around cyber security and intellectual property which could lead to further disagreement in the medium term.

If a deal is agreed upon, it is likely that Developed and larger Emerging Markets will see greater Real GDP growth than that in South Africa. Unfortunately, local growth will be hampered by our own domestic constraints including, but not limited to, the precarious state of our SOEs; restrictive labour legislation; protectionist trade unions; and the lack of fiscal consolidation, something we so desperately require.