

## FINANCIAL PLANNING

### SAFEGAURDING YOUR INTERESTS AND PROPERTY

It is time for seniors to enjoy life after retirement. It is a special occasion because many do not have this privilege of reaching this age.

It is important to remember that immovable property belongs to one in whose name it is registered with the registering authority and not to one who has got power of attorney from original owner.

### PROPERTY IN JOINT NAMES

- It is advisable not to transfer your property to any one even within the family during your lifetime.
- If both husband and wife have contributed to the purchase of property the property should be registered in both their names.
- Both should write a Will for the portion for which they are owners and should write a will to this effect as well.
- It is imperative that the property should not get registered with any other person except your spouse during your lifetime.

### LEASE HOLD PROPERTY

- Till few years ago, only Lease hold properties were allotted in Northern India including Delhi, Noida, Ghaziabad and small Lease money was required to be paid every year as Lease money.
- This system does not exist anymore. Now it is possible to get the property converted to FREE HOLD by one-time payment.
- It is advisable to get the property converted to free hold by payment of certain amount and get same registered in your own name as legal owner.

### PROPERTY PURCHASED ON POWER OF ATTORNEY.

- In Delhi and around large number of properties were sold and purchased by people on POWER OF ATTORNEY (POA).
- Legally POA Properties remain in the name of the original owner in DDA and Corporation records and the person gives a power to the purchaser to do any act on his behalf including selling of the property.
- In legal terms, power of attorney holders are not the legal owners of the property, even though they may be in possession of the property.
- Power of attorney also expires with the death of the person who gave such a power of attorney.
- From time to time, the DDA and other agencies have allowed such properties to be made Free Hold in the name of the last purchaser.
- It is suggested that such power of attorney properties be got Free Hold by making certain payments to the authority and stamp duty.
- Once property is converted into freehold property in ones name, immediately one should inform Corporation along with copy of free hold registered conveyance deed that the property be mutated in his/her name in municipal records and also for payment of property tax.

## PRACTICAL PRECAUTIONS

### PROPERTY ON RENT

- If property is to be given out on rent, certain precautions have to be taken by the seniors such as legally vetted agreement registered in court and premises given on rent to the good party even if rent is less, by involving reputed property dealers.
- The agreement will also provide that, in case the property is not vacated on the expiry of Lease period, the rent shall be 'x' times of the original rent.
- When giving the property on rent, don't give or hand over the keys to any property dealer who is involved in bringing tenants. For example, an 82 year lady who retired as a senior IAS officer lost control of that portion of the flat to a property dealer because he occupied same without rent and did not vacate; knowing very well her frailty and inability. The case is pending in Delhi Court for several years.

### HANDING OVER THE BUILDING TO BUILDER FOR MULTI STOREY FLATS

- One should to be careful while dealing with builders and property dealers
- If agreed to such an arrangement, consult good legal firm with reputation for legal vetted agreement.

### PROPERTY SHARKS

- In large cities and now in even smaller cities, there are property sharks who by dubious means try to grab big properties of elderly persons.
- They employ various means to create hurdles in the sale of such properties.
- If such senior persons have to sell the property, they should consult preferably only one property dealer.
- However, don't sign blindly on any document. Take your time to read it carefully. Such persons can take the help of HELPAGE, AGEWELL /DIGNITY FOUNDATION AND/ OR AN ADVOCATE.

### LOAN CLOSURE ON PROPERTY

- In case you had taken loan while being employed and that loan has since been paid off, don't forget to take back documents which were submitted to bank or your office for loan purposes and also all clear dues certificate.

### RIGHT SIZING YOUR PROPERTY

- In case one has large property whose price has appreciated considerably, one can consider selling such a property and buying small property which is safe, manageable and secure.
- It is more important to live and live safely than to live in big mansion.

### ACTION TO BE TAKEN ON DEATH OF PROPERTY HOLDER

- Immediately procure, 20 original death certificates from Municipal Corporation/Committee of the city in which dead person was living ensuring that the name of the dead person is correctly mentioned. It takes about a week.
- In case bank account is a joint account, before informing bank, it is advisable to withdraw money upto certain extent.

- In the meantime collect all information about the banks, FDs, Mutual Funds, Shares etc. where name of the dead person is first name and meet the respective managers and inform them of the death of the account holder.
- Also collect different forms required to be filled for transferring the money to widow and/or any other person and take immediate action to fill forms, affidavits, etc. so that same could be submitted immediately on receipt of death certificates.
- There is no need to be lethargic in this respect. If any property of the dead person on rent, immediately inform the tenant with the request to send rent to his successor etc.
- In case there is a REGISTERED WILL, problems of transfer of funds are minimised otherwise PSU banks take lot of time to transfer the funds of dead person to legal heirs.

#### WILLING YOUR PROPERTY

- A Will is a legal declaration of the intention of the writer of will with respect to his /her own property including business which is desired to be carried into effect after ones death - it is revocable during the life time of writer of will.
- It is the prerogative of the person to distribute and DISINHERIT any one from his assets even to the extent of his/her legal heirs. While writing their WILL, be considerate to each child including married daughters.
- Will is required to be written when one is in sound physical and mental condition and preferably get it registered with registered authority of the state.
- Courts, Insurance Companies, banks, municipal committees etc. prefer registered wills than unregistered ones.
- In case of unregistered will, many institutions insist that the same be probated in the proper court of law which is costly affair costing about 3 percent of total value of property and lawyer fee and time consuming may be few years.
- Wills require only plain paper no stamp paper witnessed by two persons on each page and attested by SDM of registering court. If spouse has his/her own property, same person should also write and register will.
- There is a misconception that in case property is held by the husband, same will be inherited by wife on the death of husband. It is erroneous.
- Generally and prudently, while writing will, first everything should be given to spouse and on his/her death, to be distributed to next legal heirs; also the nominees in various instruments and the Will should be same to avoid any controversy.
- Childless couples or single persons should also write their will, otherwise many legal heirs spring up on death of such persons. It is highly desirable that the spouse should know contents of the said Will and where it has been kept.
- In case there is no Will, property will be distributed by legal heirs and/or Court in case of differences as per the religion of the dying person. In the case of male Hindu, one portion is given to spouse and one each to sons and daughters.
- It is preferable that contents of the Will are kept secret from legal heirs and others, otherwise pressure can be built on writer of the will to change it according to the desire of legal heirs. Hence, it is desirable that the Will be kept in a safe place beyond the hands of legal heirs and others and still better in the locker in the bank.

- Will can be revised any number of times but registered will can be revised by subsequent registered will only.

Note: Please do not part with your original /photocopies of WILL and any other property documents in any circumstances because hostile person can destroy or make copies of same. The original documents should be kept in locker and only photo copies with you.