



Understanding estate administration

A guide for families dealing with the affairs of
someone who has died



Introduction

Following a bereavement, there are a number of tasks to be considered and completed. These tasks are not always straightforward and can include dealing with difficult legal and tax affairs. We understand that this can make an already difficult time even more stressful. That's why we've created this guide to help you understand your responsibilities and options, as well as what needs to be done.

The process of dealing with the affairs of someone who has died is known as estate administration. This guide aims to share everything you need to know about estate administration, so you can make informed decisions on how to deal with your loved one's affairs.

In this guide, we will cover:

- Who is responsible for handling the deceased's affairs? **Page 3**
 - > Personal Representatives
 - > The role of an Executor or Administrator
- The difference between probate and estate administration **Page 4-5**
 - > What is probate?
 - > What is estate administration?
- The options available to an Executor or Administrator **Page 7-8**
 - > Do-it-yourself (DIY)
 - > Instructing a professional estate administration provider
- How Kings Court Trust can help you **Page 9**
- Case studies **Page 10**
 - > We go the extra mile for our families
 - > Making a difficult time easier to cope with

Who is responsible for handling the deceased's affairs?

Personal Representatives are responsible for handling the affairs of someone who has died. If there was a Will, they are responsible for carrying out the wishes left in the Will. If the deceased had no Will, they must follow the rules of intestacy which are set out by law. Personal Representatives responsibilities can include the following tasks:



Arranging the funeral



Identifying all assets and debts



Dealing with the property



Applying for probate



Submitting and paying Inheritance Tax



Distributing inheritance to the beneficiaries

The term Personal Representative includes both Executors or Administrators.

The role of an Executor or Administrator

What is an Executor?

An Executor is a person who has been named in a Will to carry out the instructions of the Will and handle the estate. Up to four Executors can be named in a Will. An Executor is responsible for applying for probate and completing the full estate administration.

What is an Administrator?

If the person who died did not leave a Will, a person's Next of Kin can usually apply to be an Administrator. An Administrator's role is the same as an Executor but they are required to follow the rules of intestacy as no wishes have been left in a Will. The process is the same as applying for probate and completing the estate administration but a Grant of Letters of Administration will be issued instead.

The role of an Executor or Administrator is not one to be taken lightly as the person(s) are financially and legally responsible for administering the deceased's estate. It is an unpaid role but an Executor or Administrator can be paid for reasonably incurred expenses.

The difference between probate and estate administration

Both probate and estate administration are associated with handling a person's affairs after they've died but they are defined differently and often misunderstood. When it comes to probate, it's a widely used term but there's a lot of confusion about what it means and what is included in the probate process.

On the other hand, estate administration is much less commonly known and referred to, even though the term more accurately describes the process of dealing with a deceased person's estate. An estate includes everything owned by the person who has died, such as money, shares, property and personal possessions.

What is probate?

Probate (or 'Confirmation' in Scotland) is the term typically used to describe the process of finalising the affairs of someone once they have died. The lesser known term for this is estate administration. Probate, or the Grant of Probate, is the legal document obtained when there is a Will for Executor(s) to rightfully deal with someone's estate once they have died. When there is no Will, the Administrator(s) will apply for Letters of Administration.

These documents are required to deal with the estate including the financial and legal processes for property, personal possessions, bank accounts, building societies, shares and distributing out to those who are due to inherit.

Probate may not be required if the deceased had assets held in joint names i.e. property, money, shares. These assets will pass automatically to the surviving owner. Financial institutions and organisations can determine their own probate thresholds and probate may not be required in order to access the funds. It's worth contacting the individual organisations to find out what their probate threshold is.



What's involved in the probate process?



1. Completing the probate application

In England and Wales, the probate application involves completing a PA1P (if there is a Will) or a PA1A (if there is no Will). You'll also need to submit an Inheritance Tax form to HMRC.

In Scotland, you'll need to submit a C1, along with other forms (C5, C5SE or IHT400) depending on the make-up of the estate.



3. Completing a "statement of truth"

The Executor or Administrator is required to make a promise that they have been truthful in their application. During the online or postal application, they will be required to complete a statement of truth.



2. Submitting the application to the probate registry

After you have completed the application, you'll need to send all the details, including the death certificate, to the probate registry.

Alternatively, you can apply for probate online if you have the original Will and death certificate, and you have already reported the estate's value. You will need to send your documents by post after you submit the online application.

What is estate administration?

Estate administration is the process of dealing with a person's legal and tax affairs after they've died. This means dealing with all their assets (such as property, bank accounts, shares and personal possessions), paying debts, paying any Inheritance Tax and Income Tax and transferring inheritance to the beneficiaries of the estate. Estate administration is required after every death, whether or not there is a Will. It can often be extremely complex, time-consuming and an added stress at an already difficult time for those coming to terms with the death of a loved one.

If there's no Will, it's classed as an intestate estate and the assets will be distributed in line with the rules of intestacy, rather than the family wishes. If this is the case, it's likely to make the estate administration process more complicated.

The Executor(s) or Administrator(s) will handle the estate administration as they are legally entitled to administer the deceased's estate.

What is involved in the estate administration process?



- Register the death
- Arrange the funeral



If there is a property:

- Source specialist buildings insurance
- Arrange clearance of the property
- Contact utility companies
- Obtain property valuation (if applicable)
- Obtain contents valuation (if applicable)
- Arrange postal redirection
- Maintain the property to a high standard
- Arrange to transfer the property into the name of the beneficiary(s) or arrange the sale of the property



- Value the assets and debts
- Recreate a family tree if needed, especially if there is no Will
- Apply for the Grant of Probate (or Confirmation in Scotland)



Complete the relevant Tax forms:

- Complete relevant Inheritance Tax forms and any subsequent forms that may be required
- Correctly calculate any Inheritance Tax that could be payable
- Ensure the Inheritance Tax is paid within the HMRC guidelines
- Complete Income Tax work for the year of death and for the period post-death
- Review the estate for Capital Gains Tax



- Set up any Trusts that may be in a Will
- Sell or transfer shares
- Settle all debts
- Distribute funds to beneficiaries and obtain confirmation of funds received
- Produce a set of accounts to confirm the values of assets and debts as at the date of death, any income received, and the amounts paid or transferred to the beneficiaries

As you can see from the list above, the role of an Executor or Administrator comes with a great amount of responsibility and takes a significant amount of time and resource. If you've been named as an Executor or are the Next of Kin expected to take on the role of Administrator, you are by no means obliged to take on the responsibility. You have a choice of whether or not to accept the role, the right to seek advice from a professional, and can even ask a professional estate administrator to manage the estate on their behalf.

What is the difference between probate and estate administration?

To conveniently sum up the difference between probate and estate administration; probate is just one part of the wider estate administration process. Probate provides the Executor or Administrator with the legal right to carry out the estate administration, including dealing with property, money and personal possessions. Estate administration is the process of dealing with all the tasks following someone's death.

The options available to an Executor or Administrator

If you're the Executor or Administrator of an estate, you have two main options. You can opt to do it yourself or instruct a professional estate administration provider to take care of the estate on your behalf. There are many things to consider in both cases so we've clearly outlined the advantages and disadvantages of each of the options to make your decision easier.

1. Do-it-yourself (DIY)

With the DIY approach, there is potential for you to save money whilst remaining in full control. This method can suit those who have the time on their hands and understand the legal jargon. However, this method has plenty of hindrances and risks. It can be time-consuming, it requires a large amount of paperwork, you're faced with the legal and financial responsibility for administering the estate correctly, expertise is required as it is not an easy task, and plenty of research is likely to be involved.

The role of an Executor or Administrator:

- An Executor or Administrator is financially and legally responsible for administering an estate
- An Executor or Administrator is also personally liable for the incorrect distribution of an estate
- It is not a role to be taken lightly
- Executors or Administrators are the only persons able to instruct a legal professional
- It is an unpaid role but you can be paid for reasonably incurred expenses

An Executor or Administrator is responsible for ensuring the following:

- Maximising the estate for those who are inheriting (known as beneficiaries)
- Identifying all assets and debts of the deceased
- If there is any Inheritance Tax to be paid, it is paid and submitted within the appropriate timeframes
- An Executor or Administrator becomes personally liable if there are any errors on the Inheritance Tax return and may face a fine for such errors or late submission
- Ensuring that the Income Tax position of the deceased is finalised, up to date of death and for the period following death until payments are made to the beneficiaries

2. Instructing a professional estate administration provider

As highlighted above, the role of Executor or Administrator can make an already difficult time even more stressful so you may want to turn to a professional to help you finalise the affairs of a loved one or friend. However, there are a few things you should consider before appointing a professional estate administration provider:



Price

Fees can sometimes be based on hourly rates or a percentage of the estate. However, the cost may not be relative to the amount of work involved. These charging methods can mean the final bill total is unknown. Ensure you ask for a fixed price so you're aware of the costs upfront.



Legal and financial responsibility

Generally, the legal and financial responsibility will remain with the Executor or Administrator. This is not always the case as some professionals will take the burden off your shoulders.



Service

Some professionals will complete all the tasks involved in the estate administration process. Other professionals will only obtain the Grant of Probate (the legal document which confirms that the Executor has the authority to deal with the deceased person's assets). It's important to find out exactly what is included in the service and what is not.

Many professionals offer estate administration but when a complication arises, not all providers have the in-house capability to resolve the matters. Find out how the professional will handle your loved one's affairs.

If you are looking to appoint a professional, we advise that you ask potential providers the following questions to ensure you are clear on the service you are opting for:

- Will you just obtain the Grant of Probate or will you complete the full estate administration?
- (If pricing is based on hourly rate or % of the estate.) Can you offer a fixed price so I can understand exactly what I'm paying?
- Is absolutely everything included in the price I've been quoted? What is included in the price? And what is not?
- Do I still keep the legal and financial responsibility that comes with the role of an Executor/Administrator?



How Kings Court Trust can help you

Kings Court Trust are estate administration specialists and can take care of all the steps involved in handling your loved one's affairs.

Our unique service means that you can leave the challenging and time-consuming tasks to us. We will handle everything, giving you the time and space to reflect, remember and move on.

- ✓ We're experts in estate administration. It's all we do, all day, every day.
- ✓ We'll pay your inheritance quickly.
- ✓ We'll take the legal and financial burden off the Executor's shoulders.
- ✓ You'll receive a personal service with a dedicated point of contact.
- ✓ You'll be given a clear price upfront.
- ✓ Most importantly, we always go the extra mile for our families.

“ I could not have received a more thoughtful, courteous and caring service to help me through a very distressing time. Thank you to everyone I had to deal with. I would recommend Kings Court Trust to anyone who needed your services. Thank you from the bottom of my heart as I felt among friends when dealing with every member of staff I had contact with. ”

Trustpilot review, June 2019

We're one of the UK's leading estate administration providers



We go the extra mile for our families.

We will do everything in our power to support and empathise with the families that entrust us to take care of their estate administration. We understand that every estate and family is different so we go the extra mile to take care of absolutely everything that's involved in the estate administration process.



We'll pay your inheritance quickly.

We'll do everything we can to deal with the estate efficiently. We'll distribute the assets as soon as possible so you and your family receive your inheritance quickly. Wherever possible, we will make interim payments to all the beneficiaries.



We're experts in estate administration.

Estate administration is all we do, every day, for families in all sorts of circumstances and our tax and legal teams have the expertise to advise on any situation. We will take care of everything so you can rest assured that the estate and your family are in safe hands.

Estate administration is all we do, and we're proud to say we do it well.

Case studies

We go the extra mile for our families

When Mrs C passed away, her husband contacted Kings Court Trust and we helped Mr C understand his next steps and what needed to be done following her death. Mr C appointed Kings Court Trust to take care of everything, relieving him of the unnecessary stress at a sensitive stage of grief.

During the estate administration process, Mr C struggled to come to terms with the loss of his wife and relied on his Personal Estate Manager for support, guidance and someone to talk to. Mr C would sometimes ring his Personal Estate Manager just to reminisce on his memories of his wife, rather than for an update on the status of his wife's estate administration.

As we came to the end of the process, Mr C's Personal Estate Manager recommended support groups in his local area to help him deal with his grief. Mr C welcomed this thoughtful recommendation. As a result of the relationship our Personal Estate Manager established, Mr C sent in a letter thanking her for all her support and guidance during his difficult time.

We understand that every family is unique which is why our Personal Estate Managers each have different skill sets to handle the estate administration with the utmost care.

Making a difficult time easier to cope with

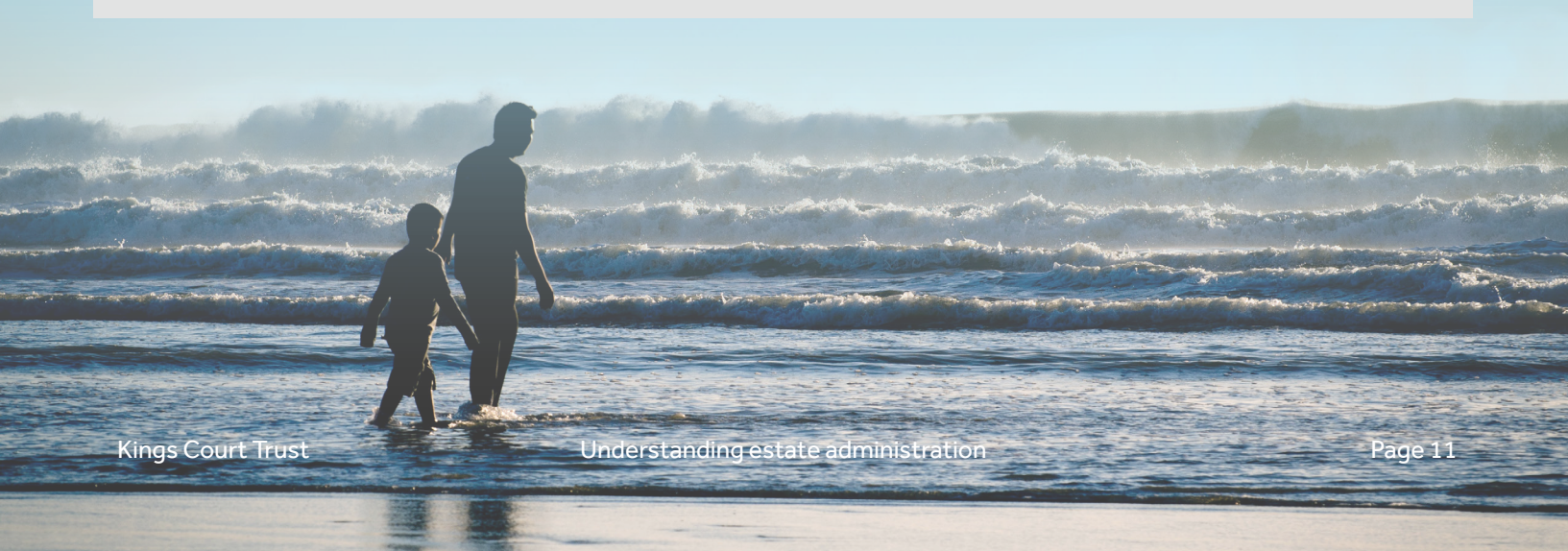
Following the death of her ex-husband, the prospect of having to deal with his estate was a daunting one for Ms S and her daughter. She wanted someone to take responsibility for all of the work so that she and her family didn't have to worry about the time, effort and stress of doing it herself.

"My Personal Estate Manager has been an absolute star throughout the whole period of settling Kevin's affairs and neither my daughter nor myself could have wished for better support, advice, efficiency and kindness. She fielded all my questions and frustrations along the way with so much patience. You have made a very sad and difficult time so much easier to cope with."


Keeping you informed

“ This company was sympathetic through the process in dealing with my late father's estate. I was kept informed all the way via phone calls and emails. I cannot thank this company enough. It helped with the healing process in coming to terms with my father's estate. ”

Edward, Kings Court Trust client



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