

## **Simple Guide to the Duties of Executors**

An executor is the person (or persons) named in a Will to carry out your wishes after your death. The size of this task will obviously vary with the size of your estate and the type of assets involved. This is a simple guide, which merely cover some of the issues that may arise. In a more complex estate, issues may arise outside of the scope of this simple guide.

### **Registering the Death**

The first task will probably be to register the death and obtain the Death Certificate. This should be done at the nearest Registrar of Births, Deaths and Marriages. It is a good idea to get several copies of the Death Certificate (up to 12 depending on how many different holdings the deceased had), as these will be useful during the administration of the estate.

### **Funeral**

The deceased may have left instructions for organ donation and funeral wishes either in their will or in a separate guidance note to their executor. Funerals can be expensive so you should check that there are sufficient funds available for the cost to be met from the estate.

The deceased's Bank and Building Society accounts will be frozen at death but they will usually pay out small sums to meet the funeral costs on production of a Death Certificate and the original funeral account. This does not apply to reimbursement of costs so please ensure we have the original invoice as soon as possible to organise direct payments.

Note: the deceased may have already paid for his funeral under a pre-paid funeral plan. It should always be checked to see if there is evidence of such a plan amongst the deceased's papers.

### **The Will**

Enquires should be made of the deceased's family and their Solicitor to ensure that the Will is in fact the last Will made (together with any codicils). It is a good idea to allow us to take custody of the original will. It is very important to make sure that nothing is attached to the original Will, even a paperclip, as this may create difficulties later on.

## **Assets and Liabilities**

You will need to ascertain the total value of the deceased's estate as at the date of death, taking into account any liabilities.

It will also be necessary to ascertain whether any lifetime gifts were made within the seven years before the deceased's death as these will need to be taken into account for Inheritance Tax purposes. It will be necessary to obtain professional valuations, for example, of the deceased's house and contents, unless the estate passes to the deceased's spouse.

It will be necessary to contact all companies and organisations where the deceased had any financial dealings, to enquire as to the value of any assets of liabilities – for example:

- Pensions providers.
- DWP and state pension.
- Privately held shares and other investments.
- Financial advisor / portfolio manager.
- Life insurance policies and annuities.
- Bank and Building Society accounts and bonds.
- Mortgagees
- NS&I products – premium bonds and savings.
- Employment related payments and benefits.
- Utility companies (gas/electric/water/telephone/television/broadband/council tax)
- Private health schemes.
- Miscellaneous refunds / subscriptions.

A valuation will need to be obtained for anything of value, including:

- Household and personal goods if any item is valuable (i.e. value of over £50.00).
- Land, buildings and interests in land.
- Car / motorcycle / motorhome

**It is advisable to advertise for creditors of the estate by placing Statutory Advertisements in both the London Gazette and a local newspaper. This costs around £300 and in the absence of this the executors can be held liable for debts of which they may not have had notice.**

## **Inheritance Tax**

An inheritance tax return will need to be completed and submitted to HMRC.

Depending on the size of the estate we may need to complete the longer form return even where there is no Inheritance Tax to pay.

If Inheritance Tax is payable, this must be done before a Grant of Probate can be issued. Most often, if there are savings, many banks and financial institution will release funds from the estate for this. Otherwise it may be necessary to arrange to borrow funds until they can be released from the estate.

## **Income and Capital Gains Tax**

The deceased's own Tax Office should be contacted to arrange for a Tax Return from the last 6<sup>th</sup> April to the date of death to be completed so that any outstanding tax can be paid or a refund claimed. The executor may also be required to complete Income Tax Returns during the administration period.

## **Accounts**

The executor will need to keep a full record of all dealings with the deceased's finances during the administration of the estate. A separate log should be kept of the Probate value (value at death) of all assets and liabilities together with all income received during the administration period.

## **Collecting in the Assets and Paying Liabilities**

Once a Grant of Probate has been issued by the Probate Registry the executor can produce this to the relevant authorities to collect in the deceased's assets and pay liabilities. If the deceased owned a property registered in their name the Grant of Probate will also be required before a sale of the property can be concluded.

## **Paying Legacies and Transferring Assets**

The Will may provide for certain personal items to go to specific persons. These should be transferred to them and receipts obtained. Legacies should be paid over and receipts obtained.

## **Final Stages**

Having obtained a certificate from HMRC Inheritance Tax Office (a department of the Inland Revenue) that all Inheritance Tax has been paid and also receiving clearance from the deceased's own Inspector of Taxes that no further Income or Capital Gains Tax is due, the final estate accounts may be prepared and approved by the executor. The residue of the estate may then be distributed in accordance with the terms of the Will and receipts obtained from beneficiaries. It is common practise for payments on account of the residue to be made to beneficiaries where the administration estate period is likely to be some months.

Lastly the beneficiaries should then be provided with certificates stating how much Income Tax has been deducted from their share for use in connection with their own Income Tax affairs.