

ASTUTE

WILLS & ESTATE PLANNING

Executor's handbook

This guide is aimed to help you navigate your way through everything you need to do to fulfil your role as your loved one's trusted executor. If you need any help or further guidance get in touch.

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What is an executor?

An executor is legally responsible for carrying out the instructions in the person's will and handling their estate that being their money, property and possessions.

Who can be an executor?

An executor can be anyone. Even if you're going to receive something from the will, you can serve as an executor. An executor is frequently a spouse, child or another relative. The testator of the will may appoint up to four executors, however, all choices must then be made collectively. One of the family and a professional (like a solicitor) could serve as executors together. At least two executors are usually chosen in the event that one is incapacitated or dies while doing their duties.

Can I change my mind?

If you later decide not to serve as executor after agreeing to do so, you have a number of options:

- If at all possible, discuss your choice with the person who selected you so they can modify their Will to change the executor's name.
- If the individual has passed away and you haven't yet begun handling their estate, talk to the Principal Probate Registry or a legal expert about your alternatives. Maybe you have to fill out a Form of Renunciation.
- If you've begun handling the estate, you are unable to resign unless you have a valid excuse, such as illness or a pressing family matter.

An executor's key duties

- The tasks with being an executor include:
- Getting copies of the will
- Arranging the funeral
- Taking responsibility for property
- Dealing with post
- Valuing the estate
- Sorting out finances
- Dealing with any assets
- Paying any Inheritance Tax
- Applying for probate
- Distributing the estate

Obtaining copies of the will

Determine where the most recent copy of their will is kept, then obtain a copy (or the original, if that isn't possible) of it.

You need to present a death certificate and identification documentation in order to see the will.

Any additional executors must attest that they are okay with you having the will.

The original of the will should be stored in a secure location once you have made copies for the beneficiaries, co-executors, and yourself.

The original and copies must not be altered in any manner, including by adding staples or paper clips.

Arranging the funeral

- Don't be hesitant to seek out the emotional and practical help of family and friends. You can outsource a lot of responsibilities, including calling people to make plans, and it could help you feel better to chat to someone about how you're feeling.
- If a funeral plan is available, get in touch with the provider as soon as you can. You can take the funeral invoice, the death certificate, the will, and your identification to the person's bank or building society after you get it. You ought to get a check from the funeral director for the amount owed.
- Inform family, friends and work colleagues of the death. You could publish a notice with funeral information in regional or national newspapers.

Taking responsibility for property and post

Taking ownership of someone else's property so soon after their passing can seem weird. It can stir up a lot of memories and feelings, but if their property is empty, it's better to secure it and let the insurers know right away.

The policy may need to be transferred to the estate in place of the deceased, and the insurer might need you to do routine inspections of the property while it is vacant.

If your current house insurance policy doesn't cover an empty property, you might need to purchase a new one.

Contact the Bereavement Register to stop postal deliveries.

Valuing the estate

The estate of the deceased must be valued by the executor. Start with all they had when they passed away. Property, possessions, and money are included here (after subtracting any debts, such as a mortgage, loans, and bills). The estate may also contain items that are shared property.

It's crucial that you look at how these assets were held to see whether they are included in the estate. You should obtain a professional valuation for assets like real estate or land. HMRC advises having items valued at more than £500 properly appraised.

Unless the estate owes inheritance tax, you don't need to appraise the property right away following a death. If so, you must file an inheritance tax form within a year of the deceased person's passing and begin paying tax by the end of the sixth month. Before you complete appraising the estate, you might make a payment. On the website www.gov.uk/valuing-estate-of-someone-who-died/tell-hmrc-estate-value, you can submit the estate's worth

Sorting out finances

If there are any asset holders, such as banks, building societies, or insurance companies, you must send an original death certificate to each of them. Find out the account balances and investment values as of the death date, and request the cancellation of any direct debits.

- You should discontinue paying the deceased person's salary, pension, and state benefits. Inform the companies who issued their credit cards, passports, licences to drive and broadcast television of the death and follow their instructions.
- Inquire about any outstanding obligations and overpayments. Look through your documents for any bills or statements.

Ask if the deceased person owes any money by contacting the organisations that issued them, such as energy providers or the local council. The estate may be insolvent if you believe there are more debts than assets. You should first seek professional assistance in that situation.

To determine whether any further taxes, such as income taxes, are owed, get in touch with the dead person's tax office.

You can open an executor's account at some banks. The estate should get any payments. Estate is therefore uncertain regarding money and your personal affairs.

Before the estate is divided, any taxes owed must be settled, outstanding bills, taxes, or commitments.

It would be a good idea to include what is known as a "statutory notification for creditors," allowing claims to be lodged for a two-month period. Otherwise, you are responsible for any claims that arise together with any additional executors.

If the notification is made public, the beneficiaries are sued for any future claims made rather than the estate.

Before paying any income tax, capital gains tax, or inheritance taxes, get HMRC's authorisation

Dealing with assets

Joint accounts: Any funds left in a joint account often pass automatically to the surviving joint owner. Send the bank a copy of the death certificate so that it can amend its records. When determining the value of the estate for Inheritance Tax, the share that belonged to the deceased is taken into account.

Property owned jointly: If the deceased shared property with a someone else as joint tenants, the property automatically passes to their share to the last remaining co-owner. The property doesn't actually form part of the inheritance, but just the deceased person's share's value. It is taken into account while determining the estate's value for tax on inheritance.

Pension schemes: If the person who has died had a pension, contact the pension provider and supply them with a death certificate. Ask whether death benefits are payable and whether there is a pension for a spouse, civil partner or children. Confirm whether any money can be paid directly to someone, rather than forming part of the estate. If the money does form part of the estate, check whether the amount needs to be included in any Inheritance Tax return.

Life insurance policies: Contact the insurance company if the individual had a life insurance policy as soon as you can to learn what you should do before it can start paying. Confirm whether any money should be a direct payment to a beneficiary rather than being included in the estate.

Debts: Collect any debts owed to the person who has died.

Applying for probate

A grant of probate gives you the legal right to deal with someone's estate. You may not need one for a small estate usually less than £5,000 in England and Wales.

In this case, write to the deceased person's bank or building society. To apply via post, you'll need to complete a PA1 form and the relevant Inheritance Tax form. Call the Probate and Inheritance Tax Helpline to request these forms, then send them to the local Probate Registry along with:

- A certified copy of the death certificate
- The original will, plus three copies
- The fee of £215.

Go to www.apply-for-probate.service.gov.uk/start-eligibility to apply online. You can pay online and you won't need to send a copy of the will. But you'll be asked how many copies of the grant you need. When you receive a grant of probate, make several copies, as you will need them for asset holders.

Send an official copy as issued by the Probate Registry with instructions to asset holders. When the assets are released, pay the proceeds into the executor's account except for anything that has been specifically passed on to someone else. You must pay any Inheritance Tax due before applying for the grant of probate

Distributing the estate

These are the main tasks involved in distributing the estate:

- If the will states that a specific item of personal property is to be given (‘bequeathed’) to someone, you can do this before probate is granted – but make sure you have the item valued.
- When probate is granted, draw up estate accounts for each beneficiary, accounting for all the assets collected, income built up and any bills paid.
- Beneficiaries who are bankrupt may not be entitled to receive their inheritance from the estate. Carry out bankruptcy searches on the beneficiaries by searching on the Individual Insolvency Register. To find out more, go online at www.gov.uk/search-bankruptcy-insolvency-register.
- Distribute the estate in accordance with the terms of the will, making sure at least two trustees are named for any gifts left to beneficiaries under 18. You may want to wait two months after probate is granted before distributing the estate, in case any claims are made against it.
- Give each beneficiary an R185 tax form for their share of estate income. Keep clear records of the work you’ve done, so you can answer any questions or challenges over how you administered the estate.

Helpful resources

Tell us once service. This informs HMRC, DWP, DVLA, local council and passport office.

Death notification service. This service informs participating banks and insurance companies of a death

Cruise Bereavement Care. These provide free support to help you unpack and deal with the death of a loved one.