



# A GUIDE TO ADMINISTRATION OF ESTATES

## Personal Representative

When a person dies, someone has to sort out all his or her affairs. This is called 'Administering the Estate'. If that person has left a Will that appoints an Executor, then it is the Executor's responsibility to administer the estate. If that person did not leave a Will, then generally it will be the closest relative who must administer the estate and we will be able to advise you in detail about this. The person who administers the estate is often referred to as the 'Personal Representative' (PR).

## Grant of Representation

The PR will usually only be able to deal with the accounts and investments in the deceased's sole name on production of a Grant of Representation. In some cases, if the estate is small, a Grant of Representation may not be needed. Accounts and investments held in joint names will usually be transferred into the sole name of the other person on production of a Death Certificate.

Obtaining a Grant of Representation is often called getting Probate. If the deceased has left a Will, then you obtain a Grant of Probate. If the deceased did not leave a Will, then a Grant of Letters of Administration is obtained.

In order to apply for a Grant, we will need to know exactly what assets were in the name of the deceased, including assets he or she may have held in joint names. You should try to give as much information as you can at your first meeting with us. Assets include Bank and Building Society accounts, Premium Bonds, National Savings investments, stocks and shares, insurance policies, household and personal possessions, houses, business and farming interests. We will also need to know about certain gifts made by the deceased and whether he/she had an interest in any trusts e.g. was receiving the income from a Trust created by his/her late husband/wife.

## Inheritance Tax

It is the duty of the PR to make sure that any Inheritance Tax due is paid. We will be able to calculate the amount of the Inheritance Tax payable and help you make arrangements for it to be paid. Part of the Inheritance Tax has to be paid before you can apply for a Grant of Representation. Often Inheritance Tax can be advanced from the deceased's own Bank or Building Society accounts.

## Likely timescale to obtain a Grant

We will have to find out exactly how much was in each of the deceased's accounts and the value of all other assets at the date of death. This can take time. Some companies reply to letters giving the information we need quickly; some take much longer. It would be hoped that all the information would be received within three to four months. The documents to apply for the Grant can then be prepared. If Inheritance Tax is payable, it can then take up to one month for the Capital Taxes Office and the Probate Court to process the documents and issue the Grant. If Inheritance Tax is not payable, it should take about two weeks for the Probate Court to issue the Grant.

## Likely timescale from Grant to distribution

Once the Grant has been obtained, claim and withdrawal forms are sent off with copies of the Grant, in order to collect in the money due to the estate. The more assets there are, the longer this part of the administration will take. Once the monies owed are received, any debts and legacies can be paid. At this time an interim payment can often be made to the residuary beneficiaries.

This firm aims to deal with matters as quickly as possible but there are some matters that are outside our control, for example, if a house has to be sold, or if the value of property has to be negotiated with the District Valuer's office. If an individual wants to make a claim against the estate, he/she has six months from the date of the Grant of Representation to do so. In some circumstances it may not be possible to distribute the estate until the time limit for claims has expired. Arguments between family members, beneficiaries or Personal Representatives can also delay matters as well as increasing legal costs.

All this takes time but this firm aims to complete an administration within one year from the date of death. Simple straightforward estates will probably take less time; large complicated estates may take longer.

## **Final distribution**

Once the values of all assets have been agreed with the Capital Taxes Office, all claims dealt with, all debts, legacies and any Inheritance Tax due has been paid, then the estate can be wound up. Accounts will be prepared and sent to the beneficiaries with the final payments due to them.

## **Costs**

When you first instruct us we will be able to give you an indication of the firm's charges. Once we know exactly what is involved and we have obtained the Grant of Representation, we will be able to give you a more realistic estimate. However, it is impossible to be precise as it is not always possible to predict any problems that may arise. We will inform you regularly of the costs to date and the anticipated further costs.

## **How to contact us**

We welcome enquiries and consultations by telephone, letter and e-mail, or why not call in to one of our offices and ask for further information.



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