



Administering an estate - A guide for executors and administrators

If you are an executor or administrator we at Lester Aldridge LLP can help you.

Coping with the loss of a loved one is difficult enough without the chore of paperwork. Our experts can take the pressure from you and ensure that the estate is administered promptly and with compassion, understanding and professionalism.

What are personal representatives?

A personal representative is either an executor or an administrator. An executor is named in a will. If there is no will, an administrator (usually a close relative) is appointed.

Executors and administrators have the same duties. In this guide we refer to both as personal representatives or PRs.

The PRs' job – the first steps

The PRs' first job (once funeral arrangements are in place) is to identify and value all the assets and liabilities of the estate. They may have to obtain formal valuations of shares, property and personal effects and must find out what balances are held at banks or building societies. They must check what, if any, debts are owed.

The grant

When they have ascertained all the assets and liabilities the PRs apply for the grant. This is a court order confirming the validity of any will and giving the PRs full powers to deal with the estate.

The grant is called a grant of probate if the PRs are executors, and a grant of letters of administration if they are administrators.

Formalities for obtaining the grant

The PRs must swear an oath to administer the estate correctly, to put the interests of the beneficiaries before their own, and to account to the beneficiaries for all the assets of the estate.

The PRs will also have to complete an Inland Revenue form detailing all assets and liabilities. If the estate is sufficiently large they must calculate the amount of inheritance tax payable.

If inheritance tax is payable the PRs will usually have to pay at least some of it before the grant can be obtained.

Administering the estate

Before the grant most assets of the estate are frozen, although most banks and building societies will release funds to allow funeral expenses and inheritance tax to be paid.

The grant allows the PRs to close bank or building society accounts, sell or transfer shares or property and deal with all the other assets.

Once they have sufficient funds, the PRs must pay any debts or other expenses, and any legacies given by a will.

Usually the PRs must finalise the deceased's lifetime tax. If inheritance tax has to be paid they may have to negotiate with the Inland Revenue on the values of assets such as houses, land and family businesses.

Even the administration of a simple estate takes several months. During this "period of administration" further income tax and capital gains tax liabilities often arise. The PRs may need to complete tax returns for the period of administration and provide beneficiaries with details for their personal tax returns.

Finally the PRs must prepare accounts of all they have done and pay or transfer what is left in the estate to the beneficiaries.

Do you have to act as a PR?

A person who is appointed as an executor or who is eligible to act as an administrator does not have to act. He can refuse

the appointment, either on a permanent or temporary basis. However, once a PR has begun to act in the administration of an estate, he cannot withdraw without applying to a court.

Fees and expenses

Only professionals who administer estates can charge for acting as PRs but all PRs are entitled to recover their out-of-pocket expenses. The estate also meets the PRs' tax liabilities and the expense of any valuations that are required. If PRs instruct solicitors to help with the administration, the solicitors' charges are paid from the estate.

How can Lester Aldridge LLP help?

It can take time to administer an estate; time that not everybody will have.

Acting as a PR must not be taken lightly. PRs are personally responsible for their actions and often control assets of significant value.

Whatever the nature of the estate we are happy to help with any of the PRs' tasks outlined in this guide.

We can help keep any tax liabilities to the minimum and help those who inherit to plan their own tax affairs.

Our International Probate team, headed by John Maddocks, has particular expertise in dealing with assets overseas and with the estates of those living abroad who own assets in Britain.

For further information please contact David Parkhouse, the partner in charge of the UK Probate team.



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