



## A guide for beneficiaries

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This leaflet is a brief guide for beneficiaries of an estate. Please do not hesitate to ask if you want to know more.

### What happens when someone dies?

When someone dies, whether or not they leave a will, all their assets are frozen. So, a beneficiary will not usually receive anything until the executors have gone through certain formalities.

### How do I know if I have benefited?

The executors will normally write to the beneficiaries of a will within two or three weeks of the death. They will tell you what you have inherited, whether it is a specific item such as a piano, some jewellery or a piece of furniture, a specific amount (a legacy) or a share of the estate.

Occasionally, though rarely, beneficiaries do not receive what they have been left because the estate is not large enough. Sometimes a specific item mentioned in a will cannot be handed over to the named beneficiary because it has been sold during the lifetime of the deceased.

You may be asked to complete an information form. Money laundering regulations require us to identify you. It also enables us to make payment to you in the best way.

### Who acts as executors?

Executors are appointed in the will. They may be family, friends or professionals. Their first job, once the funeral arrangements are in place, is to identify and value all the assets and debts 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. This can take time if the affairs of the deceased are complicated.

### What formalities are needed?

Once the executors have gathered the information they need, they apply for a grant of probate ("the grant"). This is a court order confirming the validity of the will, and giving the executors full powers to deal with the estate. Before they can obtain the grant, the executors must swear an oath to administer the estate correctly, to put the interests of the beneficiaries first, and to account to the beneficiaries for all the assets of the estate.

They must also complete an Inland Revenue form giving details of the estate. If the estate is sufficiently large they may also pay inheritance tax on the value of the estate.

### And once the grant is obtained?

Then, the executors can close bank or building society accounts, sell or transfer shares or property and deal with the other assets. Whether you receive your benefit straightaway depends on what has been left to you. If it is a specific item or a small cash sum, it will usually be possible for this to be handed over quite quickly. But if you inherit a larger sum, or a share of the estate, it may take some time before you receive your entitlement – although the executors will make a payment on account if possible.

### Why the delay?

The executors have to pay debts and other expenses, and legacies. They have to complete the lifetime tax affairs of the deceased. If the estate is large enough they may have to negotiate with the Inland Revenue on the values of assets such as houses, land and family businesses.

They will normally have to place advertisements in a local paper to see if there are any claims against the estate; this is done to protect the executors' position. Distributions cannot usually be made until the two-month period specified in these advertisements has expired.

### How long will it take?

Every estate varies; even the simplest estate, in our experience, will rarely take less than three months to finalise. If there is inheritance tax to be paid, it may take between six and twelve months. It can be more if there are difficult negotiations with Inland Revenue over the value of property or businesses. There may be assets which cannot be realised quickly, and there may be claims made against the estate.

### How do I know the executors are acting properly?

They should keep you in touch with the progress of the administration. Once it is completed, and all the tax has been finalised, and the legacies and expenses paid, final accounts will be produced showing exactly how the estate has been dealt with. Once these have been approved, the final payment can be made.

### What is LA's role?

Acting as executor is a responsible and time-consuming job. Lester Aldridge LLP can help the executors to deal with the administration promptly and efficiently, and help to keep tax liabilities to the minimum.

We can advise regarding the complex tax issues that can arise during an administration, and may be able to help you reduce your own tax burden.

We will also act as a bridge between executors and beneficiaries, keeping beneficiaries informed of progress. Sometimes it is necessary to communicate the beneficiaries' dissatisfaction to the executors, and to advise how to deal with this problem.

Our experienced team is here to help – our aim is to ensure that the administration progresses smoothly and swiftly.

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

