INHERITANCE
PLANNING COMPANY

Steps to Administer an Estate

Managing an estate after someone's death can feel overwhelming, particularly when combined with the emotional challenges of loss. Executors and personal representatives must follow a defined legal process to ensure the estate is distributed fairly and in accordance with the law.

Step 1: Verify If There is a Will

The first step is to determine if the deceased left a will:

- **If There is a Will:**
  The executors named in the will are responsible for managing the estate.
- **If There is No Will (Intestacy):**
  The estate is distributed according to intestacy laws, and the court appoints an administrator to manage the process.

Step 2: Gather Essential Documents

To manage the estate, gather the following:

- The will (if it exists).
- Death certificate.
- Financial statements (e.g., bank accounts, investments, property deeds).
- Insurance policies and pension details.

Step 3: Value the Estate

Executors must assess the total value of the estate, including:

- **Assets:**
  Property, bank accounts, shares, personal possessions.
- **Liabilities:**
  Mortgages, loans, credit card debts, or unpaid bills.

Step 4: Pay Inheritance Tax

If the estate exceeds the inheritance tax (IHT) threshold (£325,000 per person), IHT must be paid:

- Submit an IHT return to HMRC.
- Pay the tax within six months of the death to avoid penalties.

Step 5: Apply for Probate or Letters of Administration

To gain legal authority to manage the estate:

- **Probate:** Executors apply if there is a will.
- **Letters of Administration**: Required if there is no will or named executor.

Step 6: Settle Debts and Distribute the Estate

Once probate is granted:

- Pay outstanding debts (e.g., loans, utility bills).
- Distribute remaining assets to beneficiaries according to the will or intestacy rules.

Common Challenges

1. **Disputes Between Beneficiaries:**
   - Conflicts can arise over the division of assets. Mediation is often more cost-effective than litigation.
2. **Complex Estates:**
   - Estates involving businesses, multiple properties, or overseas assets require specialist advice.
3. **Unclear Instructions in the Will:**
   - Poorly drafted wills may lead to delays and disputes.

A Real-Life Example

The Evans Family's Experience:
Mr. Evans passed away without a will, leaving his estate to be divided under intestacy laws. His long-term partner, Linda, discovered she had no legal claim to the estate, and it all went to distant relatives. A will could have avoided this distressing outcome.

How We Can Help

At the Inheritance Planning Company, we provide expert guidance for every step of the estate administration process:

- Applying for probate or letters of administration.
- Valuing the estate and calculating inheritance tax.
- Settling disputes and distributing assets efficiently.

Need Help Administering an Estate?

Contact us today for professional support to simplify the process and ensure your loved one's estate is managed with care and accuracy.

Disclaimer:

This information is correct as of September 2024. Legal updates or changes may have occurred since then. For the most current advice, please contact **Inheritance Planning Company Ltd** at:

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