



It is most important to have a valid Will, dying intestate can be very expensive! A Will allows you to exercise control over your property and personal belongings. This can include specifying who will be responsible for distributing your estate, and what provision should be made for your family.

Issues to consider are:

- **Who should benefit?** Consider who you want to benefit from your wealth, spouses or partners, and whether your children should share equally in your estate or if it should go to grandchildren, friends or charities.
- **Putting assets into trust and restricting access** to income and capital can be useful for minors. If you have a business do you want to pass it to all of your children, or only those involved in the business?
- **A Will should be reviewed on a regular basis** to ensure that it reflects any changes in your personal circumstances. We recommend a review at least every three years.

Inheritance Tax Planning

There are various lifetime IHT exemptions which can help reduce your estates.

- £3,000 annual exemption
- normal expenditure gifts out of after tax income
- gifts in consideration of marriage
- £250 per person per annum
- gifts to charity
- gifts between spouses

As your accountants, we have an in-depth understanding of your finances. We can help with all your financial planning, from the tax-efficient use of trusts and lifetime gifting strategies, to reviewing your estate plan.

Please contact us for further assistance.




Get in touch

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DISCLAIMER: This factsheet is for guidance only, and professional advice should be obtained before acting on any information contained herein.





Probate

Administering the estate of a deceased person – known as Probate - can be a complex and time-consuming process. Take advantage of our expert advice and support.

Many people do not realise how much paperwork and bureaucracy is involved when a loved one dies. At a time when you want to be left to grieve, forms need to be filled, information gathered and correspondence made with financial institutions and beneficiaries. This is where we can help.

Probate is the process of dealing with a deceased person's estate, making sure their money and possessions are distributed according to their wishes. At Bullimores we can manage the whole process for you.

Here we outline some of the key aspects and what they involve.



Wills and Grants of Representation

A Will normally determines who will administer an estate. If you are named as an executor of the estate in a valid Will, you can apply to the Probate Registry for a 'grant of representation' by completing probate application form (PA1), or by having a qualified professional apply on your behalf. A grant of representation is an official document issued by the probate registry, providing your entitlement to deal with the individual's affairs.

In the absence of a valid Will, the rules of intestacy will apply. In this situation, the individual's next of kin will need to apply for letters of administration, allowing them to deal with the deceased person's assets. The estate is then distributed by set rules. Dying intestate is a good way to deplete your estate, also it can be very expensive.

A grant of representation need not always be obtained, for example in cases where the deceased's assets are worth less than £5,000, or all assets pass directly by survivorship to a joint owner. However, some financial institutions may still require a grant.



The Estate

The executor or administrator will establish the value of the estate. This will mean locating all relevant documents relating to the deceased. It is important to ascertain all of the assets, investments and liabilities relating to the estate. This may include land and property, household goods and personal belongings, business assets, savings and investments and any debts owing on the estate. Any gifts made by the deceased during the last seven years must also be identified. Professional valuations of any land and property or other items of significant value are often requested. The probate forms are then completed and the IHT liability calculated.

Inheritance Tax



IHT is normally payable at 40% on any part of an estate that is worth more than £325,000 at the time of death (the 'nil-rate band') but there are further reliefs between husband and wife and potentially for the family home. IHT may not be payable in some circumstances, for example in the case of business assets or estates passing to spouses or civil partners. Assets given as gifts seven years before death are also not taxable.

Other reliefs, exceptions and exemptions can also apply, including gifts to charities.

The executor or administrator will normally be responsible for paying any IHT due on the estate. Where there is IHT to pay, forms IHT400 and supporting schedules are completed and sent to HM Revenue & Customs (HMRC). Where there is no IHT liability, form IHT205 is completed and sent together with the probate application.

The IHT must be paid before probate is granted and banks are permitted to release funds for this purpose. Instalments are possible if land and buildings are in the estate.



Obtaining Probate

Once your probate and IHT forms have been completed, your application will be submitted together with an official copy of the death certificate, the original Will and any codicils (and three copies), and the application fee.



Collecting the Assets

When the grant of representation has been issued, this creates the legal authority to deal with the estate. A copy of the grant is sent to all organisations controlling the estate's assets, such as banks and building societies, in order for them to release the assets.

Once the assets have been secured, all debts on the estate are settled, including any outstanding funeral expenses, taxes and creditors, such as loans, mortgages or household bills.

It may be necessary to place a statutory Deceased Estates Notice in The Gazette, the UK's official public record and a local newspaper to ensure that unidentified creditors can come forward. Creditors then have two months and one day from the date of publication to contact executors to raise a claim.



Distributing the Estate

All expenses, liabilities and specific legacies will have been paid before distributing the remainder of the estate.

It is necessary to account for any income received and capital gains made during the period of administration and to prepare final accounts for the estate.

Once the assets have been collected and the debts and liabilities paid, the beneficiaries are paid and legacies distributed in line with the Will or the rules of intestacy.



We are here to Help

We can assist with all or part of the above process. To find out more, please call Carolyn Scott or email carolyns@bullimores.co.uk