



Australian
Executor Trustees

Executor Assist

Guide to Estate
Administration



Tasks in the estate administration process

1. Initial administration	Determine assets & liabilities
	Compile schedule of assets and liabilities
	Finalise property services
	Advertise statutory notices
	Arrange application for Probate or Letters of Administration
2. Communicate with beneficiaries	Determine beneficiaries and advise them of their entitlements
	Provide schedule of assets & liabilities
	Seek instructions on disposal of assets
	Provide regular progress reports as milestones are reached
	Supply financial accounting and tax reports
3. Collect cash assets and pay outstanding debts	Establish estate trust account
	Pay funeral expenses
	Close bank accounts, collect life insurance proceeds and redeem other cash assets
	Pay debts, fees & recover outlays
4. Sell or transfer remaining assets	Real estate
	Shares and other investments
	Other assets
5. Determine superannuation entitlements	Complete fund trustees' requirements for release of superannuation proceeds to dependants or estate
6. Make distributions	Hand over or transfer gifted items
	Pay legacies
	Distribute estate funds
	Store estate records
7. Register death on joint tenancy assets	Formally register death on all jointly owned assets
8. Taxation matters	Arrange for lodgement of outstanding tax returns for the deceased & finalise dealings with ATO
	Obtain a tax file number for the estate, prepare & lodge trust returns
	Provide beneficiaries with details of income to be disclosed in personal returns
	Determine cost bases and acquisition dates for assets subject to CGT
	Provide cost base schedules to beneficiaries for future reference

How to use this guide

As the Executor of an estate, it is important that you understand the wide range of duties this entails and the legal obligations you are required to fulfil.

We have prepared this guide as an overview of the processes involved in administering an estate.

This guide will help you, in consultation with your family or your financial adviser, to decide whether you will need professional assistance with the tasks involved in the estate administration process.

Executor Assist is a premium service designed to help you with those tasks, while you retain full control over the administration process.

If you wish to use Executor Assist just to obtain Probate, or in carrying out all of your duties as Executor, we will provide you with a fixed written quote, tailored to your individual needs.

To carry out the specified tasks, all we need from you is a simple letter of authority to act as your agent.

The technical terms used in this guide are explained in the glossary of terms on page 7.

The estate administration process — how Executor Assist can help

The administration of a deceased estate places many onerous responsibilities on an Executor.

We explain how Executor Assist can help relieve some of the burden.

1. Initial administration

Determine assets and liabilities

We write to banks, financial institutions and all other relevant organisations, government bodies and individuals (including all known creditors), requesting written confirmation of the assets and liabilities of the deceased and change address records for future correspondence.

Where necessary, we place the statutory advertisements, giving notice to creditors and notice of intention to apply for Probate.

Compile schedule of assets and liabilities

This schedule sets out the deceased's overall financial position at the date of death and in some jurisdictions it forms part of the Probate application.

We provide copies of the schedule of assets and liabilities to the Executor and to the residuary beneficiaries as an early indication of the value of their inheritance and to assist in planning their futures.

Finalise property services

We also contact council and water rates authorities, electricity, gas and telephone service providers, insurance companies and other property related service providers to finalise accounts or change the name of the account holder. This may be required both for deceased property owners and those who lived in rental accommodation.

Arrange Supreme Court application

We instruct a suitably qualified lawyer from our legal panel to prepare the application for Probate and arrange for the documents to be signed by the Executor, then lodged at the Supreme Court Probate Registry.

When Probate issues from the Court, we simply hand it over to the Executor, unless we have been authorised to proceed with the full administration of the estate.

If the deceased did not have a Will, AET can still help. The steps set out in this guide also apply in cases of 'intestacy' and although the administration and legal processes are quite similar, the terminology differs slightly. So instead of applying for 'Probate' on behalf of the Executor, we apply for 'Letters of Administration' on behalf of the next-of-kin and the estate is eventually distributed strictly in accordance with statutory guidelines.

2. Communicate with beneficiaries

An Executor is required to communicate regularly with beneficiaries throughout the administration period.

Beneficiaries must be located and advised of their entitlements under the Will. They should also be provided with a schedule of the estate's assets and liabilities. Where assets can be either sold or transferred, beneficiaries' instructions must be sought and followed wherever possible. If the estate includes real estate, beneficiaries must also be consulted about the sale or transfer price.

In providing Executor Assist's full administration service, we will liaise with the beneficiaries on behalf of the Executor if necessary, provide all relevant information and seek instructions where required. We will also ensure that the beneficiaries are made aware of the situations when they should seek professional advice, for example, when a decision may have capital gains tax implications.

As we reach specific milestones in the administration of the estate we will also keep the Executor and beneficiaries fully informed.

3. Collect assets and pay outstanding accounts

As a part of the full administration service, we will attend to the payment of funeral expenses without delay, usually from funds held in the deceased's name with a bank or other financial institution, or if necessary by way of a short term interest free advance to the estate from our own corporate funds.

We do not require up-front payment from the Executor to cover our fees or anticipated outlays.

When Probate issues, we will collect all cash assets such as bank accounts, term deposits, life insurance policies and the like.

As soon as estate funds become available, we recover any corporate advances and outlays, we pay our fee and other outstanding debts approved by the Executor and process any medical claims.

For each estate under full administration, an in-house trust account is established to record all cash receipts and payments plus any asset transactions made during the administration period. Interest is paid monthly to the estate on all credit balances held in the estate trust account, pending distribution.



4. Sell or transfer assets

Real estate

If an estate property is to be sold, we consult with the Executor and the appropriate beneficiaries then instruct a local real estate agent to list the property for sale by public auction or private treaty. Sale or reserve prices are determined in consultation with the Executor and beneficiaries. We oversee the sale process and report regularly on the progress of the sales campaign.

If an estate property is to be transferred, we arrange for the transmission and transfer documents to be prepared, signed by the Executor and the relevant beneficiary, and then lodged at the Lands Titles Office.

We appoint a local conveyancing specialist or settlement agent to act for us in these matters.

Shares and other investments

Shares and other non-cash type investments are allocated to the beneficiaries in the proportions specified in the Will. We then arrange for the sale or transfer of those investments as instructed by the beneficiaries. We deal with stockbrokers and share registries or financial advisers acting for the estate or the beneficiaries.

Other assets

We can also arrange for the sale or transfer of estate motor vehicles, household furniture and effects or collectibles as instructed by the Executor.

5. Determine superannuation entitlements

Where necessary, we can liaise with superannuation fund administrators to determine who is entitled to the benefits arising from any superannuation fund/s of which the deceased was a member.

Where appropriate, we will look to establish the dependency of a spouse, partner or children and then complete and lodge the necessary paperwork so the fund trustees can make their determination.

We will also identify potential tax savings opportunities for beneficiaries entitled to receive superannuation benefits.

Where superannuation benefits pass to the deceased's estate, we will look to maintain their tax-free status if at all possible by distributing them in an appropriate manner.

6. Make distributions

Hand over or transfer gifted items

Any items gifted to beneficiaries in terms of the Will are handed over (in the case of personal items) or transferred (if ownership is 'registrable' in the case of a motor car, shares or other investments) and a receipt obtained.

Pay legacies

When all estate debts and testamentary expenses have been paid and residue ascertained we will arrange payment of any cash legacies to beneficiaries in terms of the Will.

Distribute estate funds

After consultation with the Executor, we will distribute surplus funds on hand to the residuary beneficiaries by way of interim distribution. When the administration is complete, we will distribute the balance of funds held in the estate's trust account and provide the Executor and the residuary beneficiaries with financial statements detailing all transactions that have occurred during the administration period.

If the Will contains any long-term trusts or gifts to minor beneficiaries, we set aside those entitlements in the name of the trustee of the estate, who then assumes control of the trust assets until the gifts vest, or the minor comes of age.

Payments to estate beneficiaries can be made either by cheque or preferably by electronic funds transfer to nominated bank accounts.

Store estate records

If required, we will store the estate records in safe custody for five years after the estate is finalised and then arrange confidential destruction.

7. Register death on jointly owned assets

All assets held in joint names by the deceased and others as 'joint tenants' pass automatically to the surviving owner/s regardless of the terms of the Will. We can assist with the paperwork required to formally register the death and ensure that such assets pass to the survivor/s.

8. Prepare taxation reports

Lodge tax returns and finalise dealings with the Australian Taxation Office

In all cases, we write to the Australian Taxation Office to determine the deceased's personal income tax position as at the date of death.

If there are any outstanding taxation issues, we usually instruct the deceased's accountant to prepare and lodge any outstanding returns, including the final return up to the date of death. If required we can attend to these matters, for an additional fee.

All income earned by the estate, above the tax-free threshold, will be taxable either in the hands of the Executor or the estate's beneficiaries. We will apply for a trust tax file number and prepare and lodge all trust income tax returns and provide each beneficiary with a statement detailing the income they need to disclose in their personal income tax returns.

Determine cost bases and acquisition dates

Where accurate transaction records are available, we can determine the acquisition dates and cost bases for the estate assets subject to capital gains tax, such as shares and real property. The unrealised capital gain/loss report can then be used to help beneficiaries determine how to deal with the assets forming part of their entitlement, tax-effectively.

If assets are sold on behalf of a beneficiary the capital gain or loss is disclosed in the trust income tax return for the estate. The beneficiary is advised of the amount of any gain or loss to be disclosed in their own personal income tax return.

Provide cost base schedules

If assets transferred to beneficiaries are subject to capital gains tax, wherever possible, we will provide a cost base schedule showing the acquisition dates and cost bases of those assets. For personal income tax purposes, this information should be retained by the beneficiary until the assets are disposed of, so that the capital gain or loss can be properly calculated.

Please note that if this information is not readily available and we are authorised by the Executor to reconstruct the deceased's capital gains tax records, it may be necessary to negotiate an additional fee for the work involved, based on an hourly rate. Fees may also be payable to any share registries involved if we need to access their archived records to gather information.

Glossary

Administrator	A person appointed by the Court to administer a deceased estate where the nominated Executor is unable or unwilling to act, where no Executor has been properly appointed, or there is no Will.
Assets	Property of any description owned by a person at the date of death.
Beneficiary	A person or organisation that benefits under a Will or under the Laws of Intestacy applicable in the jurisdiction of the deceased person.
Bequest	A gift of specific personal property such as furniture or jewellery to a beneficiary in terms of a Will.
Estate	All property and debts of a person at the time of death.
Executor	A person appointed in a Will to administer the estate. If more than one person is appointed, they are known as Co-Executors.
Intestate	When a person dies without a valid Will in place, they are said to have died 'intestate'.
Joint Tenants	On the death of a joint owner any property owned as joint tenants passes to the survivor. Joint tenancy property does not form part of the estate and cannot be disposed of by a Will.
Legacy	A cash amount left to a beneficiary (the legatee) in terms of a Will.
Letters of Administration	The formal document issued by the Supreme Court appointing an Administrator to administer the estate of a deceased person who has died without a Will, or has left a Will under which no capable or willing Executor has been appointed.
Liabilities	All debts, funeral and testamentary expenses, duty or tax payable in consequence of death.
Probate	The formal document issued by the Supreme Court authorising the Executor named in the last valid Will to administer the estate of a deceased person.
Residue	The balance of estate assets remaining after the discharge of liabilities and the payment, transfer or handing over of all specific gifts in terms of the Will. This part of the estate is called the residuary estate and the recipients are called the residuary beneficiaries.
Tenants in Common	Property owned by more than one person as tenants in common does not automatically pass to the surviving owner but forms part of the estate. Property owned as tenants in common can be held by more than two people and can be held by them in equal or unequal shares. The shares belonging to each owner form an asset of their respective estates.
Testamentary Expenses	The expenses incurred in obtaining Probate, obtaining advice, protecting the estate's assets, investigating claims and carrying out the terms of the Will.
Trustee	Where a trust is created by a Will, a Trustee must be appointed. An Executor can also be appointed as a Trustee. A Trustee has many responsibilities and obligations, including protecting the assets of the trust and ensuring the terms of the trust are fulfilled.
Will	A written document, executed as required by law, providing for the distribution of property on and after death. To be valid, a Will must meet certain requirements set out in legislation.



About Australian Executor Trustees Limited

We are a specialist provider of wealth transfer, wealth management and wealth preservation services, available through our national network of offices in Adelaide, Brisbane, Melbourne, Perth, Sydney and Mount Gambier in regional SA.

We have a proud history of providing estate administration, estate planning, trustee, superannuation and investment services.

We continue to offer the personal and professional attention to our clients that has been the hallmark of our business for more than 120 years.

Our parent company is Australian Wealth Management Limited which is listed on the Australian Securities Exchange.

Contact us

To find out more about how our Executor Assist service can help you, please contact your local AET office on **1800 882 218** or visit **www.aetlimited.com.au**

We look forward to working with you

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