



**A Straight Forward**

**FROM A LEGAL &  
FINANCIAL PERSPECTIVE**

**Guide**

**MATPLUS+**

**CHARTERED CERTIFIED ACCOUNTANTS**

## A Guide to Probate and Estate Administration

This guide sets out what has to happen, from a legal and financial perspective, when somebody dies. This can be a very upsetting and difficult period for you. You should think carefully before deciding if you want to take on this additional administration burden, which can be complicated and take several months to finalise. If you have any concerns, **MATPLUS**, Chartered Certified Accountants are licensed to provide probate services in England and Wales and can help you during this stressful time.

### What is probate?

Probate is a term used generically to refer to the process of dealing with the estate of a deceased person. The people who are legally entitled to deal with the estate of the person who has died are known as 'personal representatives'.

If there is a will naming executors, and they are willing and able to act, they become the personal representatives. They will need to obtain a grant of probate from the Probate Registry, which will enable them to fulfil their duties.

If there are no executors willing or able to act, or if there is no will, the personal representatives will be called 'administrators', and they will need to obtain a 'grant of letter of administration' which gives them authority to act. To keep things simple we will use the term probate to cover all situations.

The probate process ensures that relevant taxes are calculated and paid, money owing to creditors and owed by debtors is collected, and, if a will has been made, the deceased's remaining assets are distributed to the beneficiaries in accordance with his or her wishes.

The process of probate can sound quite formal and complicated. To help you with some of the common words and phrases that are used, we have put together a glossary of probate and estate administration terms at the end of this guide.

### Is probate always required?

In certain circumstances you do not have to go through the probate process, for example if:

- The deceased doesn't own any property, land or shares and the estate is valued at less than £5,000.
- The contents of the deceased's estate is held jointly with another and therefore passes automatically to the other joint party. Examples of where this may apply are joint bank accounts and some properties.

If you are not sure whether probate will be required, **MATPLUS**, Chartered Certified Accountants can discuss and confirm this with you.

## What's involved in the probate process?

There are several stages to the probate process, which are set out below.

### 1. Finding the will

First you should check whether the deceased has left a will. If, following a search of their home, you haven't been able to find a will, you should also check with:

- his or her accountant
- his or her solicitor
- his or her bank(s)
- a will storage company – by doing an online search
- the London Probate Department

If you are liaising with accountants, solicitors, banks or will storage companies they will need to see a copy of the death certificate and also proof that you are the executor named in the will, before they release any documents.

If the deceased didn't leave a will, which is referred to as 'dying intestate', it is usual for the next of kin to oversee the probate process. As noted above, for the purposes of probate they are referred to as 'administrators'.

### 2. Applying for the grant of representation

The deceased's personal representatives (executors or administrators) are responsible for handling the probate process.

The personal representatives can choose if they are happy to undertake the administration of the probate process, or whether they would like to engage the services of a suitably qualified professional, such as **MATPLUS**.

Chartered Certified Accountants. Some solicitors and banks can also undertake probate work. However, it is advisable to get comparable quotes before choosing who you want to administer the deceased's estate.

The first part of the process is to apply for a grant of representation. There are 4 stages to the application process:

- 1) Complete an inheritance tax form - you or a professional valuer need to calculate how much the deceased's estate is worth, including property, shares, goods and chattels etc. This valuation will decide which form you complete and how much tax there may be to pay on the estate. If inheritance tax is payable the form will be sent to HMRC and the tax payable must be paid before you apply for the grant. HMRC will send a form to confirm that this has happened which will be sent to the Probate Registry.

- 2) Complete the probate application form (form PA1) – this can be downloaded from <http://hmctsformfinder.justice.gov.uk>.

- 3) Send your application to your local Probate Registry – this should include the above PA1 and relevant inheritance tax forms, an original copy of the will and any codicils, as well as copies of the death certificate and current probate application fees.

- 4) Swear an oath – once they have received the necessary paperwork, the probate office will send you an oath. You will need to visit your local probate office or the office of a commissioner for oaths.

Once you have sworn the oath, you should receive the grant of representation within 10 working days.

### 3. Administering the estate

Once the grant of representation has been received you will need to send a

Bank Account

Savings Account



copy to the deceased's asset holders, such as banks, building societies etc.

At this point you can start liquidating the deceased's assets, which will provide funds to clear debts, pay additional inheritance tax, income tax or capital gains tax arising from the estate.

As the personal representative you are personally liable if you distribute the estate to the beneficiaries, but a creditor of the deceased subsequently makes a claim for an unpaid debt. To protect yourself from this happening you can give notice to potential creditors under Section 27 of the Trustees Act 1925. This involves placing an advert in the deceased's local paper and in the London Gazette. Potential claimants have a set timeframe for responding, which can be no less than 2 months and one day from publication of the notice.

## 4. Preparing estate accounts

Once all claims on the estate have been investigated and all debts and taxes have been paid, you can proceed to distributing the estate. As the personal representative for the estate you must distribute the estate assets to the beneficiaries as identified in the will, or by statement of the law, if there isn't a will. All beneficiaries should sign a discharge to confirm receipt of their assets or funds. Residuary beneficiaries will normally sign the estate accounts that you will need to prepare to confirm that they are happy to accept the amount left to them once all other payments have been made and confirm that they have no further call on the estate.

However, don't worry, we can carry out some or all of these actions on your behalf and take the stress out of what is already a distressing time.

## Why choose **MATPLUS** Chartered Certified Accountants?

### • An existing client? A lot of the work's done!

If the deceased was a client of ours you can be assured that we knew a lot about his or her financial circumstances. Our relationship may have involved: preparing annual accounts and / or completing tax returns; meeting up on a regular basis to discuss business and financial affairs; and developing an understanding of his or her background and family. This is all vital information when going through the probate process.

Furthermore, we can simplify the process as we are likely to have the details of their finances, assets and business dealings. This can save you lots of time and money when it comes to preparing the necessary paperwork for the Probate Office and HMRC.

- **Not an existing client?**

We are happy to work with the deceased's existing accountancy firm, if they are not licensed to provide probate services, to extract the necessary financial and legal information required. Probate and estate administration is largely an accounting and taxation exercise, which of course is what we do all the time.

- **Competitive pricing**

Traditionally, banks and solicitors have charged a percentage of the value of the estate to carry out any probate work. In some cases this has been as high as 4% for even the most simple of estates to administer. Also, in some cases, the time it takes them to gather all the necessary financial and tax related information can prolong the process.

At **MATPLUS**, Chartered Certified Accountants our understanding of financial documents, particularly when it comes to calculating inheritance tax, income tax and capital taxes, means that we can carry out the procedure quickly and succinctly. This is especially relevant where the deceased was a client of ours. This means we spend less time gathering all the relevant information, therefore keeping the costs to a minimum.

- **Tax specialists, helping to keep your tax liability to a minimum**

As Chartered Certified Accountants you can be confident that we have the specialist knowledge required to handle the tax affairs of the deceased. Not only can we steer you through the path of inheritance tax, income tax and capital taxes, our experience may also help you and the beneficiaries to minimise the amount of tax that needs to be paid from the estate.

As well as calculating the taxable liabilities of the deceased's estate, we can also work with you and any of the beneficiaries to set in place plans to minimise their future tax burdens.

- **A confidential, personal service**

Last, and by no means least, you can be assured of a discreet and compassionate service. We fully appreciate how difficult this time is for you, your family and your loved ones, so we take as much of the administrative burden away from you as possible.

## In summary

By using **MATPLUS**, Chartered Certified Accountants we aim to:

- Complete the probate process as quickly and as smoothly as possible.
- Keep the amount of tax the deceased's estate has to pay to a minimum.
- Keep the costs of administering the estate as low as possible.
- Maximise the amount of money available to the beneficiaries.

## Contact us

For a probate consultation, please contact us on:

Tel: 0203 621 0003

Email: [hello@matplus.co.uk](mailto:hello@matplus.co.uk)

Or visit our website at [www.matplus.co.uk](http://www.matplus.co.uk)

## Glossary of probate and estate administration terms

Term	Definition
Administering the estate (or estate administration)	The process of distributing assets and funds to beneficiaries of the deceased's estate, either as documented in a will or by following the rules of intestacy.
Administrator	Someone who is appointed when executors are not named in the will or if a named executor does not want to be responsible for the probate process. The administrator can also be the next of kin where the person has died without making a will.
Assets	A generic term for everything which the deceased owns including property, shares, money, goods and chattels etc.
Beneficiary	A person who receives assets will have been left to them through a will or by the rules of intestacy.
Codicil	A written statement which makes changes to an existing will.
Creditors	People or businesses to whom the deceased owes money.

Debtors	People or businesses who owe the deceased money.
Deed of variation	A legal document which enables the beneficiaries to make changes to the will, even after the death of a person.
Estate	All the assets owned by the deceased including property, stocks and shares, money, goods and chattels.
Estate accounts	Financial accounts that document what monies have been received and paid by the estate. The estate accounts also identify what assets and funds have been and are now due to be paid to the beneficiaries.
Executor	A person identified in the will to administer the deceased's estate.
Grant of probate	The legal document that is produced following the grant of representation which enables the personal representatives to administer the estate.
Grant of representation	The grant giving the personal representatives the right to handle all the deceased's legal and financial affairs, such as: selling or transferring property; accessing bank accounts; calculating and paying what tax is due; identifying what debts are outstanding and what money is owed; and distributing the estate.
Goods and chattels	Personal items, excluding land and buildings owned by the deceased.
Inheritance tax	Tax to be paid to His Majesty's Revenue and Customs where the value of the deceased's estate is above the current inheritance tax threshold.
Intestate or intestacy	When a person dies without leaving a will.
Letters of administration	The grant which is given to personal representatives to administer the estate in the absence of a valid will or executors who will take on the estate administration.
Liquidating assets	Where the deceased's property and assets are sold to generate money to pay taxes, creditors and to distribute to the beneficiaries.
Next of kin	The deceased's closest living relative(s).
Oath	The legal process of confirming the entitlement of the personal representatives to take out the grant and confirming that they will administer the estate in accordance with the law. The oath also confirms the value of the estate that the personal representatives will administer and the details of the deceased.
Personal representative	A general term given to executors or administrators who are responsible for the probate process.
Probate	The legal and financial process which occurs following a person's death. Sometimes referred to as 'administering the estate', probate deals with the deceased's property, finances and personal belongings.
Will	A legal document detailing how a person wants his or her estate to be dealt with after death.