

ESTATE ADMINISTRATION

Administering an Estate

Important information for
when someone passes away



ESTATE ADMINISTRATION

This guide aims to assist you in **understanding the process of Estate administration** so you can better understand what's required of you and how we can help.

[Read on to find out more](#)



What is Estate Administration?

This is the process of dealing with the assets and liabilities of someone who has passed away according to their Will and/or the law. This can include arranging the funeral, identifying, collecting and protecting assets, closing bank accounts, paying debts and selling or transferring remaining assets of the Estate to beneficiaries.

What is an Executor?

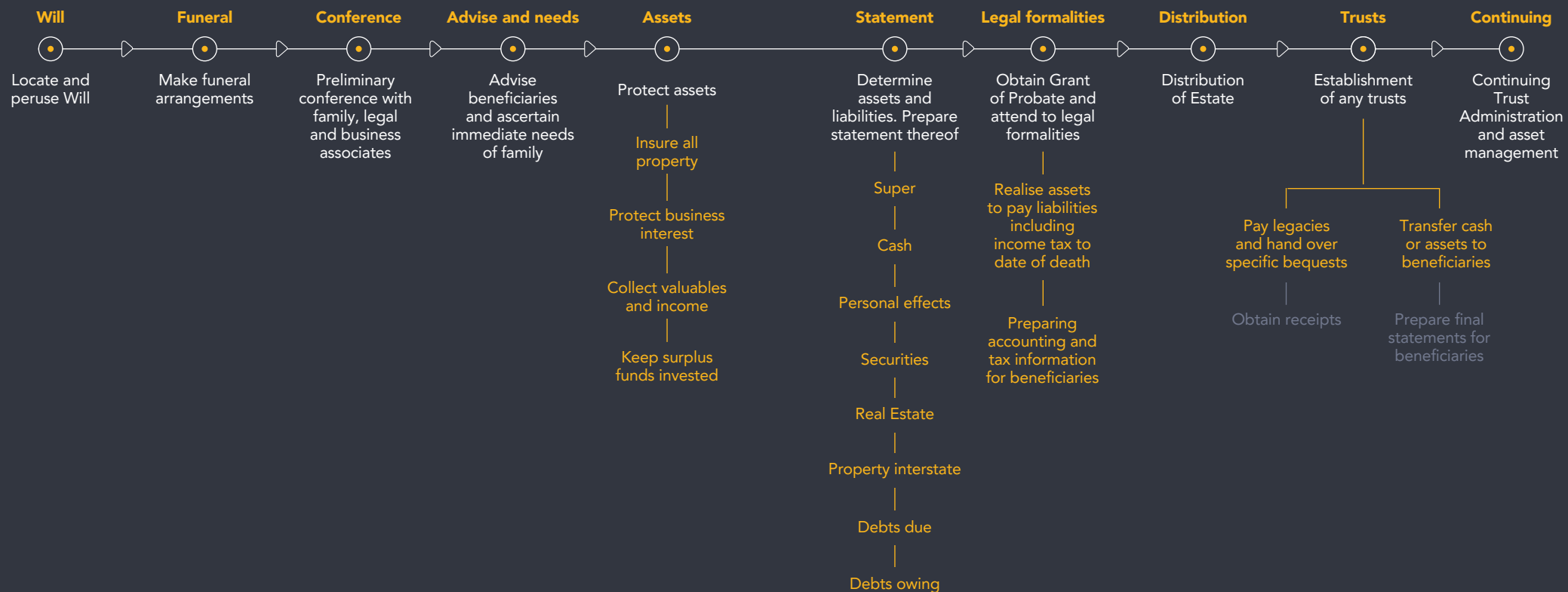
An Executor is responsible for carrying out all of the duties in administering and managing the estate and distributing assets according to wishes. An Executor can be a person, several persons or a Trustee Company like TPT Wealth who can expertly and impartially co-ordinate all the legal, administrative, investment and tax requirements. The duties of an Executor can be complex, lengthy and emotionally demanding. Often a friend or relative is appointed without understanding all the legal responsibilities and associated risks.

For more detailed information on the rights, powers and duties of the Executor, simply visit our website.



Executor's timeline

A broad overview of the steps an Executor such as TPT Wealth undertakes in administering an Estate.



Estate Administration process

There are two broad categories of deceased Estates:

1. Those immediately distributable to the beneficiaries.
2. Those that create trusts that go on for some time and are distributed to the beneficiaries either for the duration and/or at some point of time in the future.

There could also be a mix of the two, for example if a legacy is left to a person aged under 18 it will be held in trust for them until they reach that age.

In general the Estate Administration process at TPT Wealth goes through three main stages:

1. Pre-probate: Generally, this stage takes 2-3 months from the date of death and is completed by lodging the application for probate in the Supreme Court of Tasmania. During this time, TPT Wealth will advise beneficiaries of

their entitlement, identify and protect the assets of the Estate, undertake a number of administrative steps and prepare to apply for probate of the Will. We will also commence a discussion with you regarding your inheritance and how to plan to receive it.

2. Post-probate: Once probate has been granted, TPT Wealth usually commences the process of collecting or selling assets and paying liabilities. The post-probate stage generally takes 2-3 months depending on the nature of the assets and time taken to consult with beneficiaries regarding the disposal and/or transfer of assets. Depending on the particular circumstances of the Estate, some or all of the steps on page 10 will be undertaken.

3. Distribution: At this stage, the Estate Administration process is nearing completion. Depending on the particular circumstances of the Estate, the distribution stage will generally follow the steps on page 10.

Stage 01 | Pre-probate

During this stage, TPT Wealth will:

Read the Will and understand its directions thoroughly, seeking legal advice if required.

Meet with those beneficiaries able to attend and collect any information that is needed.

Apply to Births, Deaths and Marriages for a copy of the Death Certificate.

Send copies of the Will to all eligible adult Beneficiaries.

Redirect mail.

If a business is involved, **consider** legal and other requirements for suitable management.

Arrange an inventory of personal property if required.

Obtain a professional valuation of any real estate (if owned).

Cancel driver's and other licences.

Claim medical expenses.

Cancel memberships (such as RACT) and seek refunds.

Cancel private health insurance and seek refund.

Sell household items (if any and if not given to a beneficiary).

Cancel any insurance covers (once assets sold or transferred) and seek refunds.

Notify home and contents insurer (if the residence is unoccupied).

Write to share registries to confirm the Estate's shareholdings and dividends paid in the financial year.

Write to all professional advisors to clarify details of the Estate assets such as superannuation and other managed investments.

Write to the accountant who prepared tax returns (if any) to obtain copies of previous years' returns (these help to check that all assets have been accounted for).

Write to banks and other financial institutions to confirm the Estate's accounts, balances and interest paid in the financial year.

Construct tax records, including details of asset acquisitions for capital gains tax purposes.

Record all the assets of the Estate, including capital gains tax information.

Formally **identify** beneficiaries.

Cancel any Centrelink payments and obtain a payment summary.

Apply for an Estate Tax File Number.

Arrange for the temporary safekeeping of any bequests.

Seek early release of funds from the deceased's financial institution to obtain the funeral account discount for early payment.

Not all of these steps are needed in every case. They may not take place in the order presented here and some of them may be undertaken at the same time.

Stage 02 | Post-probate

During this stage, TPT Wealth will:

Commence preparation of the final personal income tax return.	Lodge the final personal income tax return.
Close the bank accounts, deposit the proceeds in the Estate account and record the interest paid.	Determine the division of assets of the Estate between those beneficiaries who want assets and those who want cash.
Sell any investments that are to be sold.	Calculate the cash shares of the Estate to be inherited by the residuary beneficiaries and consult with them about how it is to be distributed.
Advertise notice for claims in local newspaper and the Government Gazette.	Commence preparation of distribution statements of assets and liabilities of the Estate.
Arrange the sale of any real estate if required.	
Pay debts and file receipts.	

Depending on the particular circumstances of the Estate, some or all of the steps above will be undertaken.

Stage 03 | Distribution

During this stage, TPT Wealth will:

Receive the final personal income tax assessment and pay it (if required).	reconciliation receipts with the original statement of assets and liabilities.
Commence preparation of first and final estate income tax return (if required).	Distribute cash and assets to all eligible beneficiaries as agreed.
Confirm that notice for claims period has expired.	Establish any required Trusts.
Confirm that Family Provisions Claims period has expired.	Pay all final administration and expenses.
Check that all assets have been sold, transferred or collected by	Pay legacies.
	Provide financial statements to residuary beneficiaries.

The distribution stage will not usually commence prior to the expiration of three months from the grant of probate and is dependent on the complexity of the assets involved.

Things you need to know

Family Provisions Law

Tasmanian law provides that adequate provision from an Estate is made for immediate family, where there is a responsibility to provide. Eligible claimants include a spouse or partner and children. Whilst a Willmaker may choose not to make adequate provision, eligible claimants still have the right to apply for a judge of the Supreme Court of Tasmania to consider if the distribution of the Estate is an adequate provision. The powers of the judge are very wide indeed. This legislation also obliges an Executor not to commence distribution of the Estate until three months following the granting of Probate to ensure claimants have reasonable time to apply.

Planning for your inheritance

It is important not to panic and make hasty decisions regarding your inheritance. Consider your longer term plans, any debts you may have and also any tax consequences. There are many investment options you can also consider, where you can invest your inheritance until you decide what to do.

TPT Wealth has a range of Managed Investment fund options - visit our website to find out more.

Sale of real estate

If real estate is required to be sold the Trust Administrator will arrange the sale in accordance with TPT Wealth Real Estate Procedure, any directions in the Will and in consultation with beneficiaries

where this is possible. Ultimately it is your Executor that is responsible and must make the final decisions in the interests of all beneficiaries. The following steps will be undertaken if required:

- Ensure the title documents are located and in order;
- Obtain a professional valuation (if not already held) and Agent marketing appraisals;
- Advise relevant beneficiaries of valuations, appraisals and sale options;
- Determine the appropriate sale process;
- Consider marketing proposals;
- Select a real estate agent;
- Appoint conveyancing solicitor;
- Sign agent's authority;
- Ensure the property is well presented;
- Review contract and negotiate and/or consider any special conditions; and
- Receive and reconcile settlement proceeds.

Trustee services

Setting up an inheritance and leaving an enduring legacy.

A Trust

A Trust is a legal relationship between two parties, where one party or entity (the trustee) holds and manages assets for the benefit of another (the beneficiary). Trusts are created in Wills for various reasons, like holding inheritances for children until they reach a certain age, or to provide ongoing income and benefit for a beneficiary for life (Life Tenant). A trustee is appointed to manage the Trust property in order to achieve the objectives of the Trust and they can do this in different ways, depending on the nature and circumstances of the Trust.

For Trusts where the inheritance is to be held for a beneficiary who is a minor, the Trustee may, in consultation with the parents or guardians, be able to pay an amount from the ongoing income of the Trust for the beneficiary's maintenance, or towards their schooling or education expenses. The Trustee may also be able to pay Trust capital for approved purposes such as housing, education or other reasonable expenses, if the Trustee believes this to be in the beneficiary's best interests.

Life Tenants

For Trusts established for Life Tenants, the Trustee has to balance out the need for income to support the Life Tenant as well as the reasonable expectations of the ultimate or remainder beneficiaries for capital growth in the investments. The Trustee weighs up these often competing priorities in the annual investment review process required by the *Trustee Act 1898* which includes:

- **Preparing** and lodging an income tax return;
- **Determining** or reviewing the Trust investment strategy;
- **Reviewing** Trust investments and making changes in line with the Trust investment strategy;
- **Sending** a statement of account to relevant beneficiaries and Life Tenants; and
- **Sending** a tax statement to the Life Tenant and income beneficiaries.

Upon the death of a Life Tenant

The assets of the Trust generally become available to the remainder beneficiaries. In this instance TPT Wealth will:

- **Calculate** any final income entitlement due to the Estate of the Life Tenant. who want assets and those who want cash (this step is completed in consultation with beneficiaries).
- **Estimate** the share of the Trust to be inherited by the remainder beneficiaries and consult with them about how it is to be distributed. **Prepare** final Trust income tax return.
- **Consider** the sale or transfer of assets. **Pay** all final expenses.
- **Determine** the division of the assets of the Trust between those beneficiaries. **Distribute** cash and assets as required. **Provide** final financial statements to remainder beneficiaries.

For inheritance after reaching a certain age

Some Trusts are established for beneficiaries to receive their inheritance after they reach a certain age. In this situation TPT Wealth will:

- **Consult** with the beneficiary about how the Trust is to be distributed. **Pay** all final expenses.
- **Consider** the sale or transfer of any assets. **Distribute** cash and assets as required.
- **Prepare** final Trust income tax return. **Provide** final financial statements to the beneficiary.

Why TPT Wealth?

Since 1887 we have been part of the Tasmanian financial landscape, helping countless customers invest their hard earned assets and professionally managing and administering cherished estates.

Our Estate Planning experts have access to all of the tools and experience to make the Estate Planning and Administration process as simple and stress-free as possible, to ensure that family legacies are truly valued and distributed in line with wishes.

You can expect the following service standards to be met when dealing with TPT Wealth:

- Phone calls will be generally returned within 24 hours and you will be given the direct number of your Trust Administrator;
- Correspondence will be generally replied to within seven business days; and
- You can expect that all information given to you will be accurate and complete so far as is known at the time.

TPT Wealth has a very proud heritage and an exciting future, you can be a part of it.



Don't wait too long, take the next step today

For more information about the Estate Administration process, appointing an Executor, or setting up a Trust, please contact us on **1300 138 044** and speak to one of our expert team.

Alternatively you can visit our website and book an appointment online at tptwealth.com.au



Over 130 years
of experience



Objective, independent
and **professional**



Trustee Company
established in 1887

