

ROTHERHAM TAYLOR
LIMITED
Chartered Accountants & Registered Auditors

A GUIDE TO PROBATE

YOUR FORW**7**RD
THINKING ADVISERS

WHAT IS PROBATE?

The death of a loved one is something that sadly most of us will experience at some point in our lives.

Probate is the legal process of dealing with the estate (savings, property, possessions, debts etc) of someone who has died.

If everything was jointly owned or there is no property involved and assets are below a certain value, probate may not be required. The threshold for probate varies but is generally between £5,000 and £50,000 depending on the bank or financial institution holding the deceased person's assets.

It's always best to seek advice to find out whether probate is required. The process can often take several months and can involve a great deal of paperwork, phone calls and red tape.

If you have been named as an executor in the Will of you are the next of kin or a close member of the family, then there are many of the practicalities that need to be dealt with, which will fall to you.

At such an emotional time, you may feel unsure about what needs to be done. With this in mind, the team at Rotherham Taylor have prepared a guide to explain what you need to know about the probate process.



WHAT IS AN EXECUTOR?

Anyone who makes a Will must name an executor – this is the person who will be legally responsible for handling the estate, dealing with probate matters and carrying out the Will's instructions.

Do i have to deal with probate matters if i have been named as an executor?

Sometimes people are reluctant to take on the task and ask whether they must act as an executor. The short answer is, no. Hopefully the person making the Will, would have taken time to discuss the matter with you first, so that you may decline.

However, where this is not the case, or perhaps your personal circumstances have changed, you may refuse, providing you have not yet started to deal with the administration of the estate.

It may well be, that whilst you are happy to be named as an executor, you do not feel able to deal with the countless documents, phone calls, emails and red tape associated with the probate process.

At this stressful and emotional time, you may find it easier to appoint a professional to assist with handling probate and other duties of an executor.

Rotherham Taylor are one of a small number of accountancy practices in the UK to be licensed to provide probate services by the Institute of Chartered Accountants in England and Wales (ICAEW).

WHAT PROBATE SERVICES DO WE PROVIDE?

In a nutshell, we will take the administrative burden from your shoulders. We can:

- Obtain Grant of Probate.
- Help you identify the assets and liabilities of the estate.
- Access assets from bank accounts, property and share portfolios.
- Consider any Deed of Variation opportunities.
- Distribute the assets of the estate according to the terms of the Will.
- Prepare and submit any outstanding Personal Tax Returns up to the date of death.
- Prepare estate tax returns and settle outstanding tax liabilities of the estate.
- Prepare the final estate accounts.
- Provide advice on tax planning opportunities for the estate and/or for beneficiaries.
- Provide ongoing inheritance tax and succession planning advice.

HERE'S HOW THE PROCESS WORKS

1. Valuing your estate:

The assets of an estate typically include property, savings and possessions. We will prepare a valuation – rather like a balance sheet, taking into account any debts that need to be paid. Any gifts made within seven years of the person's death must also be added to the value of the Estate.

2. Inheritance Tax:

Depending on who is set to inherit the assets and the amounts involved, Inheritance Tax may be liable. If this is the case, we will calculate the amount payable and ensure that the correct forms and payment are sent to HMRC on time.

3. Grant of probate of administration:

If a valid Will is in place, as an executor, you will need to apply for a grant of probate. This allows you to distribute the assets according to the wishes of the deceased.

Where there is no valid Will (the person has died intestate) a Grant of Administration must be applied for by the next of kin. Our probate experts will be able to provide you with advice and guide you through either process.

4. Liquidating the estate:

This is the official term for turning assets such as property and possessions into cash which can then be distributed to named beneficiaries or the next of kin. It also involves ensuring that all debts have been paid, including any Income Tax and Capital Gains Tax owed to HMRC.

When handling assets due to the estate, for example money from the sale of a property, it is usual to set up an executor's bank account for the purpose. Again, we can provide you with advice on how to set up an account.

5. Distribution of the estate's assets:

Once all debts have been paid and assets have been liquidated, a final net amount can be calculated. If the terms of the Will state that the estate should be shared amongst beneficiaries as a percentage of the estate's net value, we can calculate the amount due to each beneficiary.

If there is no Will and the rules of intestacy apply, we can ensure that the estate is correctly distributed according to the regulations.

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LIMITED
Chartered Accountants & Registered Auditors

Head Office

21 Navigation Business Village, Navigation Way, Ashton-on-Ribble, Preston PR2 2YP

Tel: +44 (0)1772 735865 / E-mail: info@rtaccountants.co.uk

London Office

97 Lordship Lane, London SE22 8HU

Tel: +44 (0)20 3553 5899 / E-mail: info@rtaccountants.co.uk

rtaccountants.co.uk



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