

TIMESCALES IN THE ADMINISTRATION OF AN ESTATE

The time taken to administer an estate varies from estate to estate. It depends on a number of factors such as the terms of the Will, number of beneficiaries, type and number of assets held, whether a Grant of Representation is required and how long it takes asset holders to provide information requested and to release the assets. Therefore, the more complex the estate, the longer it will take to administer.

Further factors that can increase difficulty in an estate and therefore the time taken are as follows:

- Property owned by the deceased taking time to sell.
- Difficulty in finding or tracing beneficiaries.
- Whether or not the deceased left a Will.
- Whether the estate is deemed by HMRC to be a 'complex estate.' It is a requirement that complex estates complete annual Tax Returns and this can greatly lengthen the time taken to finalise the estate.
- Whether the Personal Representatives wish to abide by statutory period of time to ensure that no claims are made against the estate, which runs 6 months from the date that the Grant of Representation is issued.
- The estate includes foreign assets.
- Whether there is a claim against the estate, by individuals who feel that they have not been adequately provided for under the Will or Intestacy.

As a general rule, a simple estate will take approximately 6-12 months to administer. Moderately complex estates, such as those including trusts can take 1-2 years to administer. More complex estates can unfortunately take even longer than this, such as those with foreign assets.

Below is a brief summary of how long each step in administering a simple estate takes.

Step One

Obtain valuations of all assets and establish balances of all liabilities at the date of death. Once these have been obtained, the Inheritance Tax account can be prepared (if necessary) and also the relevant paperwork to apply for the Grant of Representation. Once approved by the Personal Representatives, the relevant paperwork can be submitted to HMRC and the application for the Grant of Representation can be applied for.

It usually takes 1 - 3 months to complete this stage. If however the Inheritance Tax account is required, then this can delay this stage by 3 - 4 weeks, as HMRC need to provide a receipt to the Probate Registry before the application for the Grant of Representation can proceed.

Step 2

Once the Grant of Representation is obtained, the assets in the estate can be collected in and any liabilities (including remaining Inheritance Tax) can be paid. Any set sums of money gifted under the terms of the Will or specific gifts can then be distributed/transferred.

Interim distributions (distributing a share of any Residuary Beneficiaries final entitlement) can be made.

Finalisation of the deceased's and the estates income and capital gains tax position needs to be completed. Once approval of the Estate Accounts has been obtained by the Personal Representatives and Residuary Beneficiaries, the remainder of the estate can be distributed and the estate finalised.

This step usually takes 6 – 9 months. It can however take longer depending on the individual circumstances of the estate.