

Estate Executorial Services

# SAFEGUARDING YOUR FUTURE

Perpetual *P*





# BY YOUR SIDE, EVERY STEP OF THE WAY

In a time of grieving after losing a loved one, as a beneficiary, the significant burden of administering their estate can be especially overwhelming.

As the appointed executor of the estate, our team of professionals will ensure the terms of the **will** are carried out. To make the estate administration process as seamless as possible, we have appointed a Trust Manager as your single point of contact. They'll take responsibility for every step in the estate administration process and keep each beneficiary informed of progress.

In addition, if you are a named executor in a **will** and find the time and tasks more complex than you expected, Perpetual can help you — or take up the appointment in your place.

## UNDERSTANDING THE ESTATE ADMINISTRATION PROCESS

As the executor of the estate, our primary role is to identify, secure and collect the assets of the deceased and distribute them in accordance with the terms of the **will**.

Depending on the complexity of affairs, it may take at least six months, and sometimes years, to administer the estate. Factors such as a legal challenge to the **will** can also affect the timing. This guide is designed to provide beneficiaries of an estate with a summary of the estate administration process and the legal requirements.

As each estate is different, the information is a general outline and is not intended to cover all circumstances. Should you have any questions regarding the specific circumstances of your estate, please contact your appointed Trust Manager.

## UNDERSTANDING THE TERMS OF YOUR INHERITANCE

Given the significant impact an inheritance may have on your current and future financial situation, it is important to seek professional financial advice to ensure it is provided to you in the most effective way.

As part of our estate administration process, we can arrange a no obligation meeting with a Perpetual Senior Adviser, who will be able to advise you on the financial and tax implications of your inheritance to help you make informed financial decisions.



## STEP

1



### CONFIRM BENEFICIARIES

Our first priority as executor of the estate is to accurately identify the estate beneficiaries.

2



### CONFIRM ASSETS AND LIABILITIES

The assets and liabilities of the estate must be verified and secured before a formal valuation can be conducted. Following this, a statement of assets and liabilities is prepared and in most jurisdictions forms part of the information that is provided to the Supreme Court.

3



### CALCULATE TAXATION IMPLICATIONS

**Taxation returns:** A tax return from the period 1 July to the date of death must be prepared and lodged. An income tax return will also need to be lodged for each year that the estate receives income.

**Capital gains tax:** Many assets are subject to capital gains tax and the taxation implications can vary between beneficiaries. Establishing the acquisition dates and costs of assets in the estate is a vital step requiring extensive research if records have not been maintained by the deceased.

**We recommend all beneficiaries speak with the Trust Manager and Financial Adviser of the estate to ensure they make the most tax effective decisions for their own circumstances.**



4



## APPLY FOR PROBATE

As the executor of the estate we must obtain Court confirmation that the current **will** on file is valid and is the most recent **will** of the deceased before we can administer the assets of the estate. In most states (except WA) we will appoint a solicitor to act on behalf of the estate and lodge a probate application to the Court.

Additionally, as per most state legislative requirements, we are required to publish a notice of intention to apply for probate in a major newspaper or court website. We must also publish a statutory notice to creditors, providing any creditor of the estate the relevant statutory period to lodge a claim against the estate. Generally no distribution of the estate can be made until this notice period has expired.

5



## COLLECTION AND REALISATION OF ASSETS

Once probate is granted, as executor we will collect the assets of the deceased, realise other assets, pay liabilities and expenses and provide for bequests and legacies under the **will**.

The distribution of the estate can be delayed if we are put on notice that a claim is being made against the estate. Once notice of a claim or a potential claim is received, the estate cannot be distributed until the matter is determined by the Court or an agreement is reached between the executor and the claimant.

6



## PAYMENT OF LEGACIES AND BEQUESTS

Subject to the collection and realisation of the assets, payment of liabilities and there being no notice of any claims (or potential claims), cash legacies and specific items gifted under the **will**, such as furniture and jewellery, are distributed.

Where minor beneficiaries (those under 18 years of age) receive cash legacies, or where the **will** directs, funds may be retained and invested on the beneficiaries' behalf until they are entitled to receive the funds.

7



## DISTRIBUTION OF THE ESTATE

Subject to the payment of legacies and bequests and no claims having been made against the estate, the remainder of the estate can now be distributed, provided all beneficiaries have been properly identified.

Once the distribution of the estate is completed, each beneficiary who is entitled to a share in residue will be provided with detailed financial statements.

In some cases a **will** directs that the estate be managed over a period of time – usually over a beneficiary's lifetime. Continuing estates require monitoring and planning to ensure the most appropriate tax and investment strategies are implemented for the beneficiary's own circumstances.

## OUR IN-HOUSE TEAM OF PROFESSIONALS

A widely-recognised and respected financial services organisation, Perpetual is one of Australia's largest wealth managers, an expert adviser to high net worth individuals, families and businesses, and a leading provider of trustee, financial management and executorial services.

Perpetual's experience in administering the assets of Australians and their families dates back to the 1880s, when the oldest company in Perpetual was established to provide responsible administration of trusts and estates. We have assisted clients

in building and preserving their wealth ever since.

You can rest assured knowing that with Perpetual, you are in safe hands and as a trustee company, we will always perform our duties treating all beneficiaries equally and respectfully. This is particularly important in complex family situations. We have the expertise to manage and defend any claims against the estate and a proven ability to manage the complex investment, taxation and legal matters which can arise during administration.

## HAVE QUESTIONS? TALK TO US

We're here to take the burden out of administering the estate and help safeguard your inheritance. For more information on how our team of professional executors and financial advisers can give you peace of mind, please contact us at:

Phone: 1800 631 381

Email: [perpetualprivate@perpetual.com.au](mailto:perpetualprivate@perpetual.com.au)

[www.perpetual.com.au](http://www.perpetual.com.au)

## USEFUL DEFINITIONS

### Beneficiaries

Beneficiaries are the people, or group of people, who can receive a benefit from the estate.

### Residuary beneficiaries

Residuary beneficiaries are beneficiaries who share the part of the estate leftover (or residue) after any legacies and bequests are settled, and all debts and costs are paid.

### Legacies and bequests

A legacy or a bequest is a gift of personal property as stated in the testator's **will**. The person or people who receive the gift are referred to as legatees. A general legacy is one payable out of the general assets of the testator's estate. A specific legacy is a gift of a specific part of the testator's estate.

### Capital gains

An increase in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price. The gain is not realised until the asset is sold. A capital gain may be short term (one year or less) or long term (more than one year), and must be disclosed on income taxes.

### Distribution

The passing of ownership of assets, both real and personal, from an executor or trustee to the entitled beneficiaries.

### Executor

The person or entity entrusted to carry out the terms of a **will**.

### Probate

An authority from the Supreme Court to an executor allowing them to administer an estate.

### Testator

A testator is the person who has made a **will** to ensure their wealth is administered in accordance with their wishes.

### Will

A **will** is a written declaration providing for the disposition of property by a testator, to take effect upon their death.

Perpetual 