

Succession

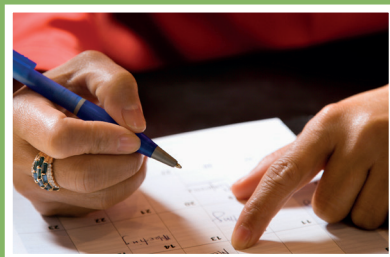
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Executorship...

COULD YOU DO IT?

KEY FACTS

- YOU CAN BE HELD PERSONALLY LIABLE FOR ANY MISTAKES MADE.
- YOU MUST KEEP ESTATE FUNDS SEPARATE TO YOUR OWN FUNDS.
- YOU CANNOT STAND DOWN IF YOU INTERMEDDLE IN THE ESTATE.



What is an Executor?

An Executor is the person or people appointed by a Will to deal with the affairs of the deceased.

Duties and responsibilities of Executors

As an Executor, **you are responsible** for identifying all assets and liabilities held by the deceased. With this information, you must then **complete the relevant inheritance tax forms** as accurately as possible before **applying for Probate**, should this be necessary. Once you receive Probate, you must then **settle all debts and liabilities** from estate funds, before **accounting to beneficiaries** for their inheritance.

Risks of acting as an Executor

Being **an Executor is a demanding role** and can prove to be **time consuming and stressful**. If the administration process is not correctly adhered to then there can be various repercussions which may not be obvious to a lay person.

As Executor, **you can be held personally liable for mistakes and negligence** when administering to an estate. If you are not familiar with the administration process, it is easy to make mistakes such as submitting an incorrect tax account, not adequately protecting an unoccupied property or failing to contact all relevant organisations.

Where mistakes are made, **there can be serious consequences**. Failure to disclose relevant assets or liabilities on tax forms can mean that penalties are incurred or in extreme cases **you can even be prosecuted for fraud**.



Failure to pay inheritance tax when it is due can accrue unnecessary interest on the balance due **which you will be responsible for paying**. Failure to correctly identify the extent of a beneficiary's entitlement, or to omit payment of a legacy altogether, can lead to complications once the estate has been distributed as **you will be held responsible for resolving such issues**.

Another crucial aspect of Executorship is ensuring that estate funds are kept separate from your own personal funds. **You must open a separate client account** for this purpose. **Failure to do so can be treated as misappropriation of funds** and can cause difficulties in identifying payments, interest and tax.

In addition to the above, one other important point to consider is **the concept of intermeddling**. As an Executor **you are free to renounce your role as Executor if you feel the administration is too difficult or you do not wish to undertake this duty**. This must be done at the very beginning, as any action you take in your capacity as an Executor can result in intermeddling meaning you are **prohibited by law from standing down as an Executor**. Where an Executor has intermeddled they must **fulfil their duty and will be liable for their actions**. A minor task such as payment of a small utility bill can result in intermeddling.

Why should you appoint a professional Executor?

By appointing professional Executor, you can rest easy knowing that the administration process will be dealt with by a dedicated and experienced team. A professional Executor will relieve you of any stress and burden at what is a difficult time. More importantly, a professional Executor will take on the liability associated with the administration of an estate and will be fully insured in the event of any issues arising.

For further information regarding the appointment of a professional Executor, please contact Succession.

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