

### First steps

When someone dies the first thing to do is to find out whether or not they wrote a Will. You should check in their files, with other family members or friends and, if they had one, their solicitor.

Then you should go through all of their paperwork and computer to work out exactly what they owned (this is known as their 'estate') and who they owed money to. Just because someone has died does not mean that their debts can be written off. It is nearly always the case that the debts must be paid.

It is often necessary to apply for legal documents allowing you to deal with the estate. This is commonly known as Probate.

You will also need to inform lots of agencies (such as the DWP, DVLA, Passport Office & HMRC) of the death. You may be able to do this by using the 'Tell Us Once' service rather than contacting each one individually.

### With or without a Will

If the person left a Will then the executors appointed are responsible for dealing with the assets and debts.

If the person did not leave a Will then administrators will need to be appointed to sort out the estate. The people entitled to act as administrators are set down in a list of priority starting as follows: spouse or civil partner, children, parents, siblings.

It is the job of the executors/administrators to make sure all of the debts and expenses are paid and then to share out whatever is left in accordance with the Will or legal rules (when there was no Will).

If a bank, solicitor or other professional has been appointed as an executor they will charge for this. If you do not want them to act they will often agree to step aside.

### Small estates

Sometimes it is not necessary to apply for probate; for example if the person only had a small amount of money and belongings. If they had up to £5,000 in some types of accounts then you will not need to apply for probate to obtain these funds.

Most banks or building societies will allow you to obtain money in excess of this amount (usually up to about £10,000 but sometimes higher) under a 'small estates procedure'. They do not have to do this and are entitled to ask for a grant of probate.

If the estate falls within this category then you should be able to gather all of the assets, pay the debts and share out the remainder with only the death certificate.

### Land & houses

If the person owned a house or land in their sole name then you will have to apply for probate.

If it is owned in joint names then it may or may not be necessary to get probate. If it was held as 'Joint Tenants' then it will pass automatically to remaining joint tenants. If it was held as 'Tenants in Common'

then probate will be necessary. You will need to look at the paperwork from the house purchase to find out how the joint property was held or consult the original conveyancing solicitor.

### Stocks and shares

Most companies will require a grant of probate before transferring or selling stocks and shares. Some will act without probate but charge a fee for doing so. Beware of this offer as this can often be more expensive than obtaining a grant of probate.

### Inheritance tax

If the total value of the estate (after the debts have been paid) exceeds £325,000.00 then inheritance tax may be payable. This amount can change depending on whether the person was married and whether they had made any gifts before death. If you think that the estate might be worth more than this then you should seek some assistance.

Inheritance tax needs to start to be paid 6 months after the date of death and before you can apply for probate. It is very important that you get the calculations correct to avoid any penalties. If tax is due it is usually at the rate of 40%.

### Other taxes

It will be necessary to make sure that the income tax and capital gains tax up to the date of death has been correctly calculated and paid. In addition to this most income earned or gain made whilst the estate is being dealt with has to be reported to HMRC and the tax paid.

### Legal & professional help

Many solicitors will offer a short free appointment so that you can get some initial help and guidance. You should not feel pressured to instruct them to do any further work for you if you do not want them to.

If you are the executor or administrator then the fees for solicitors or accountants to do the work for you can be paid out of the estate. Banks will also assist but their fees can be quite a lot higher.

### Online information

The government website contains lots of information about who to tell, applying for probate and how to work out any tax that might be due. A good starting point is [www.gov.uk/after-a-death](http://www.gov.uk/after-a-death)

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