

What Is Estate Administration and How Long Does It Last?

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When an individual passes away, their assets must be distributed to their named heirs or beneficiaries. The beneficiaries may be designated as a co-owner or a beneficiary, or the assets will pass to the estate to be distributed by an estate representative.

The legal process of settling the decedent's affairs is known as "estate administration." If there is a Will, the administration includes a process which is known as "probate." If the decedent dies without a valid Will, the estate will be settled pursuant to the intestacy laws. In both situations, the administration involves settling debts, expenses and taxes and thereafter distributing assets to the beneficiaries. Whether there's a Will or not, the administration process is followed to safeguard the integrity of the estate while protecting the legal rights of everyone involved.

Here's what you can expect.

Appointing a Personal Representative of the Estate

If the deceased left a Will, it typically nominates an executor, a person chosen to carry out the terms of the Will. If the proposed individuals accepts the nomination, and qualifies, he or she will be formally appointed by the Surrogate's Court. If there isn't a Will, the Surrogate's Court will appoint an administrator, often the surviving spouse, child, or parent. The administrator may be required to post a bond prior to being appointed in order to protect the potential heirs and creditors of the estate.

The estate administrator has a fiduciary duty to manage the estate in the best interests of the beneficiaries.

Identifying and gathering assets

Next, the estate administrator will create a comprehensive list of all tangible and intangible assets, including real estate, bank accounts, vehicles, jewelry, and art.

This also means investigating if there are potentially hidden or overlooked assets.

If any assets are found, they have to be added to the estate. Not addressing them could create legal issues or delays down the road.



Paying debts and taxes

Before assets can be distributed, the estate's debts and taxes must also be settled. This means paying any outstanding loans, credit cards, or tax bills the deceased owes.

Depending on the specific situation, this may require the selling of assets to cover outstanding debts.

Distributing assets

If there is a Will, Executors use it to guide the distribution of the estate. A Will that outlines asset distribution is essential for this process to go smoothly.

If there isn't a Will, the Administrator will distribute assets according to the intestacy laws of the state where the decedent resided at death.

The goal is for the family to find closure rather than chaos in this process.

How long does estate administration last

Estate administration timelines can vary significantly. On the one hand, if the decedent has a detailed estate plan in place, there aren't many debts to resolve, and the estate is non-taxable, the administration process might wrap up in a few months.

On the other hand, the administration of a complex estate may take more time.

For example, if disputes, complications in asset identification, or tax issues need to be addressed, additional documentation, asset appraisal, or collaboration with tax professionals may be necessary.

At Saiber, we're here for the whole process, no matter how long it takes.

Our team handles every aspect of estate administration and keeps you informed every step of the way.

<u>Contact our estate planning practice</u> to discuss the right option for your needs and get tailored support to protect your legacy.