

ESTATE ADMINISTRATION OVERVIEW
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When an individual dies, their estate must be administered. This means someone is responsible for the collection of the assets, payment of the debts, including any inheritance tax and distribution of the remaining balance to those entitled to receive the remaining funds. For estates with assets over \$25,000.00 in gross value, this requires the appointment of an Executor or an Administrator and is a process for which an experienced attorney should be retained.

If Decedent dies Testate, leaving a Will, the Will must be probated, which means filing the Will in the Register of Wills Office in the county in which Decedent resided, along with the Death Certificate and other required documents. The individual named in the Will as Executor is then appointed with the authority to act on behalf of Decedent's estate.

If Decedent dies intestate, without a Will, then the next of kin must petition the Court to be appointed as Administrator to administer the estate.

Often there are Co-Executors named in the Will, or there are several individuals of the same degree of relationship to Decedent who would be eligible to be appointed Administrators. In the event someone does not choose to act in that capacity, they may renounce their right to be involved in the administration of the estate. The more Co-Executors or Co-Administrators who are appointed, the more difficult it becomes to administer the estate.

After an Executor or Administrator has been appointed, notice must be sent to all beneficiaries of their potential interest in the estate and certification filed with the Court that notice has been given. Advertisements giving notice of the appointment of an Executor or Administrator must be published once per week for three consecutive weeks in both a legal and a general publication.

An estate checking account must be opened with the funds from the estate assets. A Federal Identification Number must be obtained in order to open the estate checking account. This number is utilized for the filing of both Federal and state Fiduciary Income Tax Returns, which returns are generally due by April 15 following the year end in which the Estate has earned income. In addition to Fiduciary Income Tax Returns, Decedent's final personal tax returns are also required to be filed by April 15 following the year of death.

The Executor or Administrator is responsible for gathering all assets and paying all expenses associated with the estate. A list of all assets, including interest income and refunds, must be maintained in order for the final estate documents to be prepared. Further, a detailed list of all expenses paid, including to whom paid, the date, the amount and for what purpose, must be provided for the final estate documents. If Decedent had a safe deposit box, an inventory of that box must be made, after arrangements are made with the Pennsylvania Department of Revenue and the bank where the box is located.

If an estimated payment of the inheritance tax is made within three months of the date of death, a five percent discount is received on the amount that is paid. The actual Inheritance Tax Return and full payment is due nine (9) months from the date of death. Although a six month extension may be requested and no penalty assessed, interest will begin accruing after the nine month deadline.

Numerous documents are required to be filed with the Court in order to complete the administration of an estate. This includes an Inventory of all assets in Decedent's name and a First and Final Account identifying all assets, income and expenses of the estate. To conclude the estate administration, a Petition for Adjudication must be filed requesting a Court Audit or a Release and Settlement Agreement must be signed by all parties who have an interest in the estate. Before distribution may be made to any beneficiary of the estate, it is important to have either Court approval or the signature of all parties on the Release and Settlement Agreement setting forth the distribution to each recipient.