

Long-overdue rise in estate limits will make smaller estates cheaper to wind up

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If your estate is worth less than R250 000 when you die, your heirs will not have to appoint an executor.

Until this week, estates with a value greater than R125 000 had to have an executor.

The amount set in terms of the Administration of Estates Act was increased to R250 000 by Michael Masutha, the Minister of Justice and Constitutional Development.

In a notice in the *Government Gazette*, Masutha repealed a government notice published in 2003 and published the new amounts with

effect from November 24.

These will apply to the estates of anyone who dies after November 24, Angélique Visser, the chairperson of the Fiduciary Institute of Southern Africa (Fisa), says.

Fisa is a non-profit professional organisation for fiduciary practitioners.

Visser says if an estate is smaller than R250 000, the Master of the High Court may appoint a representative instead of an executor, and there will be no need to advertise the estate or draw up a liquidation and distribution account as is required for estates of higher value

in terms of the Administration of Estates Act.

A family member can be appointed as the estate's representative and, with a letter of authority from the Master of the High Court, will be able to attend to the administration of the estate and save on administration costs, she says.

The minister also amended the minimum amount that a surviving spouse can inherit from his or her deceased spouse in terms of the Intestate Succession Act. This amount was also increased from R125 000 to R250 000.

You are said to have died

intestate if you did not make a will or your will is found to be invalid. Some people make a will but leave out some assets, which means the assets that are left out must be dealt with in terms of the Intestate Succession Act.

The Act states that if the person who dies intestate is survived by a spouse but has no descendants (no children), the spouse will inherit the estate.

If the deceased had a spouse and children, the estate is divided equally among the children and the spouse, but the spouse must inherit at least the amount set by the

Minister of Justice, which from this week is R250 000.

The Minister of Justice also adjusted to R250 000 the maximum amount an estate can pay to the natural guardian, tutor or curator of an heir for immediate maintenance, education or some other benefit. Previously, this was R100 000.

DISPOSAL OF PROPERTY

The minister also adjusted three other amounts that relate to the disposal of immovable property in an estate, Visser says.

As a result, the Master of the High Court may authorise the sale

of immovable property that does not exceed R250 000 and belongs to a minor without an application to the court. This amount was previously R100 000.

The Master may also authorise the sale of property that does not exceed R250 000 in value to a person for whom a tutor or curator has been appointed as an administrator. This amount was previously R100 000.

The third amount relates to the registration of a bond over immovable property in an estate. If a bond has to be registered over an immovable property because it is necessary

for the preservation or improvement of the property belonging to a minor, or to a person for whom a tutor or curator has been appointed as an administrator, the Master of the High Court may authorise it, provided the amount does not exceed R250 000 (previously this amount was R100 000), Visser says.

Some of these amounts were set in 1988 and no longer kept track with inflation, she says. The increases, which represent a catch-up with inflation, "will benefit the public and should reduce the administration burden in the Masters offices slightly".