

**YOUR
MONEY
SORTED****PAY LESS
FOR ESTATES****By LETITIA WATSON**

Send suggestions for topics and requests for info to yourmoney@you.co.za.
We may answer your questions in this column but won't reply personally.

Winding up an estate so that heirs can receive their inheritance needn't be expensive

**WHAT REDUCES
THE COST?**

The cost of administering an estate can be kept down provided it doesn't become a formal winding-up process.

In November last year the master of the high court increased the maximum value of estates where an executor needn't be appointed from R125 000 to R250 000.

This means you save on executor's fees. Nor do you have to advertise the estate, which results in further saving. There's also no need to lodge a liquidation account with the master.

**CONDITIONS FOR
REDUCED COSTS**

Estates of less than R250 000 reported to the master after 24 November 2014 may be exempt from the formal winding-up process. This includes community estates.

The date of death of the deceased and whether there's a valid will are irrelevant.

But the estate must be solvent. Assets that don't form part of the estate such as beneficiary policies and pension benefits aren't taken into account.

**WHO WINDS UP
THE ESTATE?**

If an executor isn't required, the master appoints a representative to wind up the estate.

This could be a beneficiary of the estate, family member or friend – provided it's not someone who's a minor or disqualified from acting, says Erik Troost of AmTrust in Paarl.

The representative has limited powers and duties such as paying creditors and ensuring heirs receive their rightful share of the estate. In cases where the estate is insolvent the master does appoint an executor.

IF ASSETS INCREASE

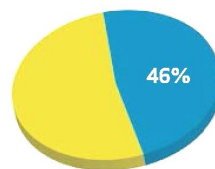
Sometimes assets are discovered after the preliminary inventory has been drawn up.

The master's representative can only deal with assets listed in the inventory and specified in the letter of executorship.

A revised inventory including the additional assets must then be lodged with the master, Troost says. If the gross value then exceeds the R250 000 limit the master may appoint an executor to wind up the estate in line with standard procedure.

**5 QUESTIONS
ABOUT ESTATES****1****Must I report an estate of less than R250 000?**

Yes, these estates must still be reported to the master, along with the prescribed documents and will, if there is one.

2**Can the representative live abroad?** They must have a residential address in South Africa.**3****What's an intestate estate?** If someone dies without appointing heirs the Intestate Succession Act determines how the assets in the estate are distributed among the closest surviving relatives and/or spouse. The act also applies where the deceased has left a valid will but there are no heirs.**4****Who specialises in winding up estates?** Attorneys, auditors and trust companies specialising in estate planning wind up estates and can check if your will is executable.**5****What if my original will has been lost?** The safest option is to draw up a new one, advises Erik Troost of AmTrust in Paarl. The master can't accept a copy of the will without a high court application and order authorising it. This costs time and money and there's also a possibility the application may fail.**46% THINK THEY'LL
DIE OF OLD AGE**

Most people believe they'll die in their eighties, according to the 2014 Sanlam Life Surprises Survey. A minority believe they'll reach 120! Most people (46 percent) believe they'll die of old age, followed by people who believe they'll die of illness (38 percent).

TIP!

Amend your will regularly to ensure your assets are distributed according to your wishes.

GET MORE HELP HERE

- Fiduciary Institute of SA: fidsa.org.za
- Master of the high court: justice.gov.za
- Department of home affairs: dha.gov.za

I'm not afraid of death; I just don't want to be there when it happens

AMERICAN FILM DIRECTOR WOODY ALLEN