

SARS/RCB Webinar – Administration of Deceased Estates

A webinar on the processes at SARS when administering a deceased estates was held on 7 December 2022. Set out below is a summary of the questions raised during the webinar together with their respective responses under the identified topics.

Coding (Report A New Case)/ Representative Taxpayer

1. **Q: What is the turnaround time for the coding of an estate and how can the initial request be escalated?**

A: Turnaround time is 21 working days. A follow up on the case number can be done, and if no response is received, a formal complaint can be lodged.

2. **Q: When creating a new case online without the deceased person's tax number, where can the tax number be found if the information is not available or how does one proceed to inform SARS of the death?**

A: The deceased person's tax reference number can be requested from SARS Contact Centre, SMS Service or via an appointment with the branch. The verification process of the representative taxpayer must be done and if the verification process failed, the two e-mail options should be used. Please note that the tax reference number is not compulsory when an estate case is reported via contactus@sars.gov.za or pcc@sars.gov.za. Only the ID number is compulsory. Please refer the *SARS Deceased Estate FAQ* (Questions 41 - 44) on the SARS website - <https://www.sars.gov.za/businesses-and-employers/estates/>.

3. **Q: Should SARS be informed of the death of a person if the person's income is under the tax threshold?**

A: If the deceased person was registered for tax, SARS must be informed of his or her death, even if there is no taxable income. The active number must be coded, be dealt with and deregistered if no tax obligations remain.

4. **Q: If the deceased person was not registered for income tax, should SARS be informed of his or her death?**

A: If the deceased person did not have a tax number and has no taxable income or deemed property in the estate, SARS does not have to be informed. If a Deceased Estate Clearance (DEC) letter is requested for a non-registered case, supporting documents will be requested by the auditors.

5. **Q: Why does the online "Report a New Estate" feature reject a submission or does not link successfully?**

A: A request is rejected if the information captured does not match SARS's records. It is, therefore, important to ensure the details that are captured are aligned with the information on the SARS system. Should there be a change in any of those details, an appointment must be made to update the information – see slides 18 - 24 of the presentation or visit the SARS website <https://www.sars.gov.za/contact-us/make-an-appointment/>.

- 6. Q: What documents are needed to code a taxpayer as a deceased taxpayer?**
- A:** Please refer to the *SARS FAQ on Deceased Estates* (Question 42) for more information on the documents for the coding of an estate. <https://www.sars.gov.za/businesses-and-employers/estates/>.
- 7. Q: How can one confirm whether an executor has registered the estate?**
- A:** After the death of the deceased person was reported to SARS and the executor's details are updated as the representative taxpayer, the SARS Call Centre can be contacted to confirm the coding. The issuing of an engagement letter by SARS will prove the same. For more information see the *SARS FAQ on Deceased Estates* (Questions 40 – 44) - <https://www.sars.gov.za/businesses-and-employers/estates/>.
- 8. Q: Is it a requirement to register a deceased estate for income tax post death, even if there is no post taxable income to declare?**
- A:** No, a post-death tax number is only required if there is taxable income earned after the date of death. See also the *SARS FAQ on Deceased Estates* (Questions 45 – 47) - <https://www.sars.gov.za/businesses-and-employers/estates/>.
- 9. Q: What is the minimum amount which is required to report an estate at SARS?**
- A:** If there is an active income tax number, the estate should be reported as it is important for SARS to deregister this number and remove it from the register. If the deceased had no active tax number and there is no taxable income or no deemed property in the estate, there is no need to inform SARS.
- 10. Q: If the death of a taxpayer is reported, will the matter automatically be coded as a deceased estate?**
- A:** It's done automatically, provided the requirements were met and the documents were submitted, see the *SARS FAQ on Deceased Estates* (Question 40 & 41) - <https://www.sars.gov.za/businesses-and-employers/estates/>.
- 11. Q: Can an agent with a Power of Attorney, nominated by the executor, inform SARS of the death of a deceased person and make appointments with SARS or is it only the executor?**
- A:** Yes, please see link to the SARS website <https://www.sars.gov.za/faq/faq-what-are-the-three-sars-poa-forms-provided/>.
- 12. Q: What should be done if there are two executors and the fields to report a deceased estate only allows one individual?**
- A:** For reporting purposes, the name of the first executor appointed on the letter of executorship.
- 13. Q: Is an executor informed once the deceased person's income tax number is coded as a deceased estate?**
- A:** Once the case is coded, the engagement letter will be sent to the executor that is the registered representative.

14. **Q: Can an executor go to a SARS branch in person, to update banking details of the estate or to update the Registered Representative details?**

A: Yes, an executor can visit the branch, but an appointment must be made before a person goes to the branch.

15. **Q: Can a registered representative be updated at the same time when an estate is reported? Or should it be done through separate online requests?**

A: Updating of the representative's details are part of the coding process. But if it is not done, it can separately be requested via the digital channel. The representative's details will never be updated prior to coding. See the SARS website on update of RR - <https://www.sars.gov.za/businesses-and-employers/estates/>.

16. **Q: How should the online form to update the representative's details be completed?**

A: Always use the deceased person's details first as the "Taxpayer detail".

Taxpayer (Estate) Details:

Name:	<input type="text"/>	Type:	<input type="text" value="Individual"/>
Tax Type:	<input type="text" value="Income Tax"/>	Tax No: *	<input type="text"/>
ID Type:	<input type="text" value="South African ID Number"/>	ID No: *	<input type="text"/>

Requestor details is the Registered Representative details / Executor appointed by Master

Requestor Details:

Title: *	<input type="text" value="Ms"/>	Initials: *	<input type="text"/>
Name: *	<input type="text"/>	Surname: *	<input type="text"/>
Capacity:	<input type="text" value="Delegated Representative"/>	PR No:	PR- <input type="text"/>
E-Mail: *	<input type="text"/>		
Mobile: *	<input type="text"/>	Telephone:	<input type="text"/>

Registered Representative (Executor) – Tax Number and ID

Requestor Additional Details :

Tax Type:	<input type="text" value="Income Tax"/>	Tax No:	<input type="text"/>
ID Type:	<input type="text" value="South African ID Number"/>	ID No: *	<input type="text"/>

For more detail, please follow the link: <https://www.sars.gov.za/client-segments/registered-representatives/>.

17. **Q: Can the agent of the Executor be the representative and register the Estate?**
A: The executor remains the representative taxpayer, but the agent can assist the executor in fulfilling his or her duties. Refer to slides 8 and 9 of the presentation – and see the update of RR on the website: <https://www.sars.gov.za/businesses-and-employers/estates/>.
18. **Q: Why does SARS request the income tax number of the executor/representative?**
A: It is for verification purposes.
19. **Q: Also, if the deceased person's tax number has been deactivated, what is the process here as we cannot register the estate without the income tax number?**
A: You can still report the estate even if the tax number is inactive. If there is a need for the tax number to be re-activated, we will do it.
20. **Q: Can an Agent under a Power of Attorney signed by the executor register as representative of the estate. Can the photo then be from the agent, or must it be from the executor?**
A: Refer to the *SARS FAQ on Deceased Estates* (Question 48) - <https://www.sars.gov.za/businesses-and-employers/estates/>.
21. **Q: If the deceased was never registered as tax and the matter is coded and dealt with as an RR-Case, how do we do follow-ups with SARS without a tax number?**
A: Use the case number allocated.
22. **Q: How do we proceed if the appointed executor is a foreign national without an RSA tax number?**
A: The Master should appoint a South African “agent” to administer the estate.
23. **Q: Can an agent under a Power of Attorney (POA), nominated by the Executor, code the estate and make appointments with SARS or only the Executor?**
A: If there is a valid POA, the agent can still submit documents on behalf of the executor. Important to note the registered representative is the executor appointed by the Master. When the executor has been appointed, he may appoint a tax practitioner /agent to deal with the tax – see slide 8 of the presentation and the info on the SARS Website on RR - <https://www.sars.gov.za/businesses-and-employers/estates/>.
24. **Q: If a tax practitioner has a deceased's tax profile linked to his profile, but he is not the executor of the estate, who may register as the representative and update the bank details?**
A: Only the executor appointed by the Master is the representative taxpayer and his or her details must be updated with SARS. If the executor appoints the tax practitioner as an agent (with a valid POA), the practitioner can act on behalf of the executor. See the presentation on eFiling for Organisations, please see the information on the website on RR - <https://www.sars.gov.za/businesses-and-employers/estates/>.

Supporting Documents

- 25. Q: Why can the supporting documents that are sometimes submitted online not linked to a case number?**

A: This could be due to the initial case number being closed and is no longer active. Therefore, a request must be re-submitted to upload documents for a new case to be created. For more detail please visit the SARS website: <https://www.sars.gov.za/tax-practitioners/uploading-of-supporting-documents-relevant-material-on-efiling-website/>.

- 26. Q: Why when supporting documents are submitted online does the tax reference number of the deceased person reflect as invalid?**

A: The income tax number will only be invalid if the tax number was inactive before death. Supporting documents cannot be uploaded if the number is inactive. See of the *SARS FAQ on Deceased Estates* (Question 42) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

- 27. Q: Different case numbers are given when uploading at different times - which is the correct case number to use?**

A: The case numbers are always linked to the original case when the case was reported. Always use the initial case number (also reflected on the engagement letter) when liaising with SARS.

- 28. Q: When issues are experienced with uploading files in pdf (under 10MB), what can be done?**

A: For more detail please see the link on supporting documents: <https://www.sars.gov.za/tax-practitioners/uploading-of-supporting-documents-relevant-material-on-efiling-website/>.

- 29. Q: When a case number is received, and additional documents must be submitted, the online system cannot "connect: the case number with the ID number or tax number". The message reads" there are no active cases for this ID or Tax Number". What could be the problem?**

A: Always make sure the case number is still active, if the delay to submit it too long after the request for additional documents was issued, the case number is closed, and a new request will have to be submitted.

eFiling

- 30. Q: A person who is an executor of more than one estate, should he or she have an organisation profile?**

A: Yes, see eFiling for Organisations Presentation.

- 31. Q: How can one update the email and cell number of the deceased person when trying to transfer their eFiling profile?**

A: Please see eFiling for Organisations Presentation.

32. **Q: When an estate case is reported to be coded, the executor is appointed as the Registered Representative. How can the security details be changed if it still reflects the deceased person's cell number?**
- A: Please see the eFiling presentation, slides 5 – 11. Also see the presentation on eFiling for Organisations Presentation.
33. **Q: After coding person as a deceased estate, how can the contact details on the 'manage tax type transfer' be updated to that of the executor?**
- A: Refer to the eFiling for Organisations Presentation.
34. **Q: How can an executor access the eFiling profile of the deceased person, if SARS coded the case and updated the representative's details?**
- A: See the presentation on eFiling for Organisations, the part for registered representative activation and then how to add the deceased on eFiling on your profile. (Refer to slides 38-48 of the eFiling for Organisations Presentation).
35. **Q: If the executor is not a tax practitioner but the executor's firm is registered as an organisation. Can the deceased person as taxpayer be added under the executor's firm's profile or should it be on his personal profile?**
- A: The taxpayers can only be added onto the profile of the representative taxpayer – see the eFiling presentation for more detail.

Compliance

36. **Q: Must the second registration take place if the only income after death is interest, and that interest is below the interest threshold (R23 800)?**
- A: No, see the *SARS FAQ on Deceased Estates* (Question 45 – 47) - <https://www.sars.gov.za/businesses-and-employers/estates/>.
37. **Q: How can a deceased person's income tax returns be submitted if the relatives do not know who handled the returns or if they do not have information with regards to the deceased person's e-filing?**
- A: Refer to the eFiling presentation on how to add the taxpayer on to the profile of an appointed Tax Practitioner acting as the executor's agent to submit the returns up to the date of death.
38. **Q: Can a pre-tax number be re-opened?**
- A: Yes, if the DEC letter was previously issued it means the tax number is already deregistered on the system. If the deceased person's tax number must be reactivated, clear reasons must be provided and the reasons the lump sum/funeral benefit was not taken into account. Reactivation requests must be submitted by e-mail contactus@sars.gov.za.
39. **Q: How to go about to get the IT12 if the deceased's family did not submit it?**
- A: Refer to the eFiling presentation on how to add the taxpayer onto the appointed Tax Practitioner to submit the returns up to date of death.

- 40. Q: What happens to taxable income after death if it is above the threshold. Income keeps being received. When does it close off? As long as the L&D account lies at the Master for approval, there is interest income and rental income being earned. So up to when should a tax returns be submitted for "post death" income?**
- A:** Refer to the *SARS FAQ on Deceased Estates* (Question 22) on the SARS Website - <https://www.sars.gov.za/businesses-and-employers/estates/>.
- 41. Q: What happens in instances when we cannot find the deceased's outstanding returns?**
- A:** The executor as the representative taxpayer of the deceased person is required to act on behalf of the deceased person in wrapping up the estate. The executor is required under the Administration of Estate Act, 1965 to fulfil all duties and obligations in finalising the estate, therefore the executor is responsible for all the administrative duties.
- 42. Q: Must the deceased tax return be submitted till date of death before the estate is done and submitted?**
- A:** Tax returns must be submitted to date of death, and taxes paid, before we can finalize the case – slide 25 of the presentation.
- 43. Q: What must be done when a deceased person's return cannot be submitted due to the error: "Tax Directive number is invalid"?**
- A:** The correct directive details must be provided by the Company before the return can be submitted.
- 44. Q: How do we request remission?**
- A:** Request for remission (RFR) can be submitted via e-filing, or manually at the branch.
- 45. Q: Which email address should we use to send the final L&D and REV267 form to SARS?**
- A:** For dutiable estates use estateduty@sars.gov.za and for other cases contactus@sars.gov.za or pcc@sars.gov.za. Use the case number issued when the case was reported (engagement letter). Alternatively, the digital channel available on the SARS can be used to upload the documents to that case number (case number should be active to upload documents).
- 46. Q: Where does one obtain the tax returns in order to submit the same to SARS?**
- A:** On eFiling.
- 47. Q: Must all income tax due before date of death be paid in full first before a new tax return can be generated for post death income?**
- A:** No, the second tax reference number can be requested on eFiling – see slide 12 – 14 on the eFiling presentation and the *SARS FAQ on Deceased Estates* (Question 45) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

48. Q: Who withdraws the objection with the Master of the High Court when received from SARS? The Master will inform us that SARS must withdraw the necessary and SARS agents do not have an answer.

A: The SARS auditor withdraws the objection from the Master and copy the executor. Submit request to contactus@sars.gov.za , if you need to follow-up.

49. Q: Insolvent estates: Section 34(1) & (2) do we upload on website or send it to contactus@sars.gov.za?

A: You can use the digital channel – if you have the tax reference number - <https://tools.sars.gov.za/SOQS/?queryType=13> or alternatively use contactus@sars.gov.za.

The screenshot shows the SARS 'Report New Estate Case' form. At the top, the SARS logo and 'South African Revenue Service' are visible. The main heading is 'Report New Estate Case'. Below this, there are two dropdown menus: 'Query Type' (set to 'Report New Estate Case') and 'Category' (with options 'Deceased', 'Liquidation', and 'Insolvency/Sequestration'). The 'Taxpayer (Estate) Details' section contains several input fields: 'Name' (text box), 'Type' (dropdown menu set to 'Individual'), 'Tax Type' (dropdown menu set to 'Income Tax'), 'Tax No.' (text box with an asterisk), 'ID Type' (dropdown menu set to 'South African ID Number'), and 'ID No.' (text box with an asterisk).

Refunds

50. Q: What is the process if there is a very small balance (less R100) refundable to the estate?

A: The refund will be paid out and the executor must ensure that the banking details are correct.

51. Q: How do you have a refund written off if it is a small amount and the executor does not want to wait for the refund to be paid out?

A: A write-off cannot be requested, and SARS is only allowed under the Tax Administration Act to do a write-off if the specific legislative requirements are met. Estate bank accounts should not be closed until refunds are paid out.

52. Q: How can the amount refundable to the estate be confirmed?

A: Statement of account can be obtained from eFiling.

53. Q: Regarding a refund from SARS, where the amount is less than R1000 an estate late bank account does not have to be opened and where the refund is also less than R1000, how does one go about getting this refund.

A: It is assumed that this relates to section 18(3) estates in which case the surviving spouse's/beneficiary's banking details must be provided. Such cases will each be dealt with on its own facts and circumstances.

Banking Details

54. Q: What is the process to update banking details?

A: On the SARS Website - <https://www.sars.gov.za/individuals/i-need-help-with-my-tax/your-tax-questions-answered/exceptional-circumstances-under-which-banking-detail-changes-will-be-done/> or make an appointment to speak to a consultant if you still experience issues.

55. Q: Can an agent of the executor update the banking details?

A: No, only the executor can update the banking details, unless the agent is a tax practitioner. Also refer to the presentation and the *SARS FAQ on Deceased Estates* (Question 48) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

56. Q: With regards to refunds we receive a case number in the initial appointment but - we are not being notified when a banking exception case is created afterward.

A: The banking exception team will issue a request for uploading of supporting documents before they can do the final verification.

57. Q: Why if there is a 6 cent refund and the estate late bank account has been closed, is a banking details verification required?

A: For the credit to be paid out, the banking details must be verified.

Estate Duty

58. Q: Can one apply for an extension to pay an outstanding tax liability other than estate duty?

A: Section 10(2) of the Estate Duty Act only applies to estate duty. For other taxes, the manual process of submitting your request by e-mail should be followed for a case to be created. No payment arrangements can be done on eFiling for estate cases.

59. Q: If a deceased person did not have an eFiling profile, how can an estate duty liability be paid (if applicable)?

A: For purposes of the estate duty liability, if the deceased person had a tax number but no eFiling profile, the payment can still be made. As long as the executor is registered on eFiling, the estate duty liability of the deceased person can be paid through the executor's eFiling profile.

60. Q: Can the email address (estateduty@sars.gov.za) be used for deceased estate cases that are not dutiable (below R3.5 million dutiable amount)?

A: The mailbox is strictly for dutiable cases only. For non-dutiable cases the following email address should be used:

- contactus@sars.gov.za or
- pcc@sars.gov.za (for Tax Practitioners).

61. Q: What is the turnaround time for estate duty assessment?

A: Estate duty audits are done manually. Audit cases will be dealt within 90 business days from the date of receipt of all the required supporting documents. The required documents will depend on the documents that have been submitted with the L & D account and the REV267, unless alternative arrangements are communicated by the auditor.

62. Q: Should an appraiser be appointed to do a valuation of all immovable properties (including low-cost properties)?

A: A Professional Valuer or Professional Associated Valuer should complete the Valuation of Immovable Property on the REV246.

63. Q: Can the REV267 and L&D Account be handed in at any SARS office?

A: Yes, at the branch, please make an appointment before the branch is visited. All documents will be scanned and a case created for the auditor to attend to the audit.

64. Q: How long does it take to have unlisted shares verified by your estates share valuations team? And what is the follow up process if we are not receiving feedback? If we want to follow up telephonically thereon, can we call the call centre?

A: See the link on the SARS website under Estate Duty <https://www.sars.gov.za/types-of-tax/estate-duty/> on the approval of the valuation of shares in unlisted companies and the e-mail address that could be used to communicate with the Share Valuation team.

65. Q: Estate duty - what if you need an interest free extension but there is no money in the estate yet to pay a reasonable deposit due to ongoing litigation?

A: Refer to the *SARS FAQ on Deceased Estates* (Question 68 – 75) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

66. Q: If too much estate duty was paid and the estate bank account is closed, must the bank account be opened again? What is the turnaround time for the estate duty refund to be refunded?

A: Estate duty refund can only be paid out into the estate late bank account. REV16 to be submitted with relevant supporting documents, use the estateduty@sars.gov.za e-mail address. The refund will be verified by the auditor as soon as all the relevant supporting documents are submitted.

67. Q: When making an estate duty payment, must this be through eFiling? If so, what is the maximum amount that can be handled?

A: Yes. No there is no limit. See the *SARS FAQ on Deceased Estates* (Question 56) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

DEC Letter

68. How to apply for a Deceased Estate Clearance (DEC) letter?

See the *SARS FAQ on Deceased Estates* (Question 78).

69. Q: What is the turnaround time for DEC letter?

A: 21 business days.

70. Q: What escalation process is available?

A: If the 21 days have lapsed, the case number that was issued when the DEC letter was requested should be used when a follow-up is done, and if there is no response, a formal complaint can be lodged. It's important to note the following:

- All outstanding returns were submitted for all tax types.
- Ensure that all assessments were done upto date of death.
- There are no balances on the account.
- The Liquidation & Distribution (L&D) account was audited, before requesting the DEC letter.

Refer to the presentation slide number 25 and the *SARS Deceased Estate FAQ* (Questions 76 – 79) - <https://www.sars.gov.za/businesses-and-employers/estates/>.

71. Q: How to obtain a DEC letter if the deceased person's income tax number is not available, never had an income tax number and is not a dutiable estate?

A: If the deceased person had no registered tax number, the L&D account together with all the relevant documents must be submitted to SARS through the normal channels. The case will be referred to the auditors to determine if the deceased person should be taken on register or not. If not, the DEC letter will be issued as soon as the L&D account was screened.

72. Q: The Master's office requests a SARS compliance certificate. Please advise if this is the same as the DEC letter?

A: Yes, the compliance certificate is the DEC letter. If everything is in order, the DEC letter will be issued. The DEC letter can only be requested via the email channels.

73. Q: Who can apply for the DEC letter?

A: The executor can apply, however, if the executor appointed an agent with a Power of Attorney, the agent can request the DEC letter.

74. Q: If all tax obligations are met by the executor and only awaits the DEC letter, can the Executor/Agent proceed with payment to heirs and finalisation of the estate while the DEC letter is not issued yet?

A: The Master must issue approval to distribute, not SARS. And for the Master to issue this approval, SARS compliance certificate must be issued.

Escalations

75. Q: Where can a complaint be lodged?

A: On the SARS website, "How to lodge a complaint" (<https://www.sars.gov.za/contact-us/lodge-a-complaint/>).

76. Q: Please advise how to escalate an estate late banking details case after the 21 working days have lapsed?

A: Ensure that all the required documents are attached to the case allocated for the verification process. Link to follow: <https://www.sars.gov.za/types-of-tax/personal-income-tax/tax-season/supporting-documents-for-banking-details/>

Send a follow up by e-mail, if no response is received, a formal complaint can be lodged via e-filing. See slides 26 & 27 as well as the link to for the step-by step guide – slide 30 or (SARS Website on how to lodge a complaint).

77. Q: How does one escalate a case for a refund after the necessary verifications were done?

A: Refer to the *SARS FAQ on Deceased Estates* (see Question 48) and the *Guide on Changing Banking Details* - <https://www.sars.gov.za/businesses-and-employers/estates/>. If no success, it is advisable to lodge a formal complaint whenever there is no response.

78. Q: How does one escalate a matter?

A: Always ensure a case number is received when the case is initially reported. It is advisable to follow up using the case number and submit a formal complaint, if there is still no response.

79. Q: What is the escalation process for DEC letters?

A: Send a follow up by e-mail, if there is no response, lodge a formal complaint. See the guide on *How to Lodge a Formal Complaint* under additional information on estates on page 28 of the presentation.