



South African Revenue Service

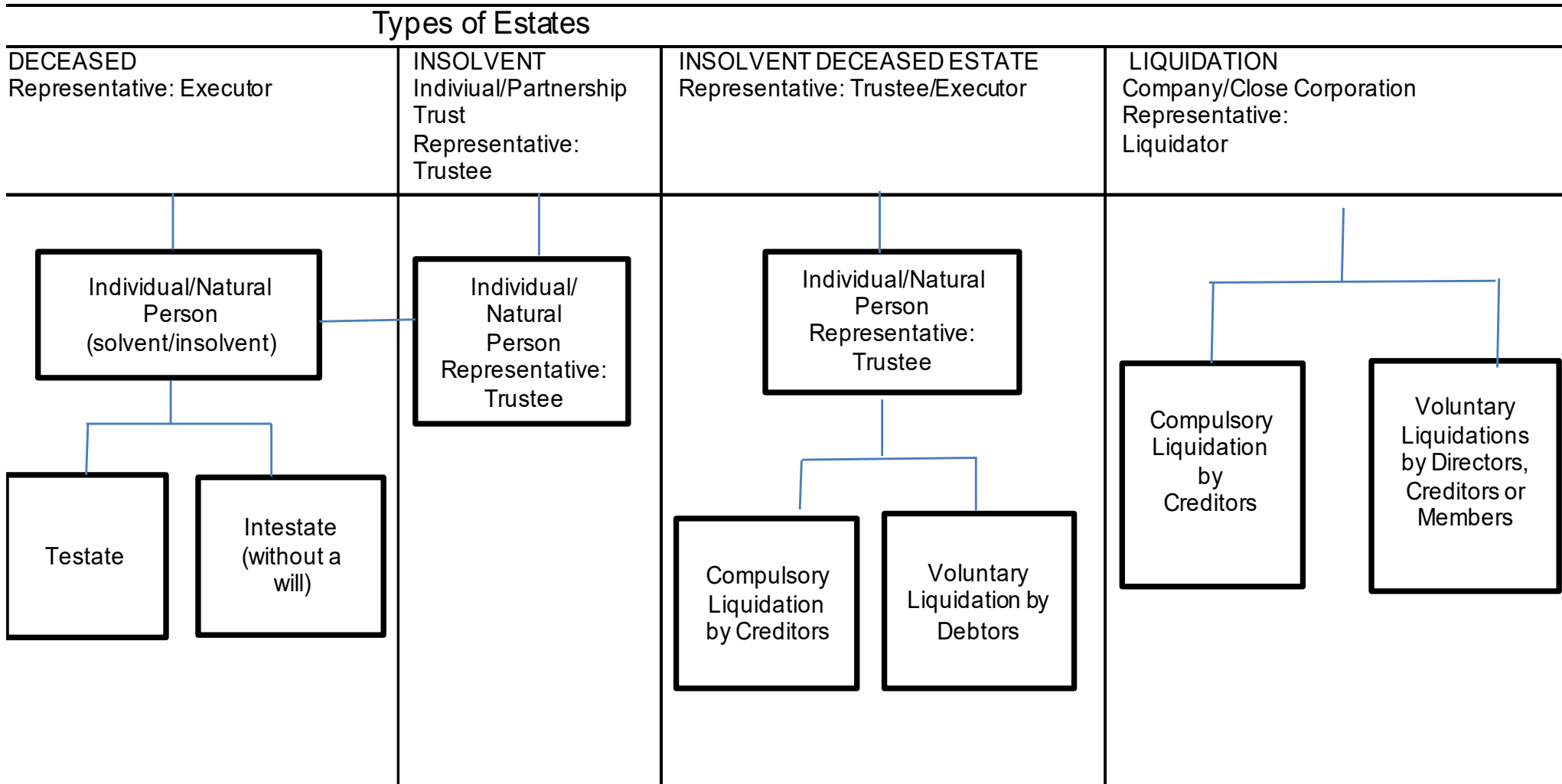
Deceased Estates

25 YEARS
ANNIVERSARY
At Your Service 1997 - 2022

June 2024

Estates Overview

Types of Estates



Deceased Estates

Process flow to finalise a deceased estate at SARS

The executor receives a letter of executorship and must inform any SARS office about the death of the deceased and code the taxpayer accordingly.

Sections 13 and 14 of the Administration of Estates Act

The executor's details as the representative taxpayer must be linked with the deceased taxpayer to act on the deceased's behalf.

Section 21 of the TA Act

Public Notice and tax Acts

All outstanding tax returns must be submitted up to the date of death for all tax types: Income Tax, VAT, PAYE, SDL, UIF and estate duty.

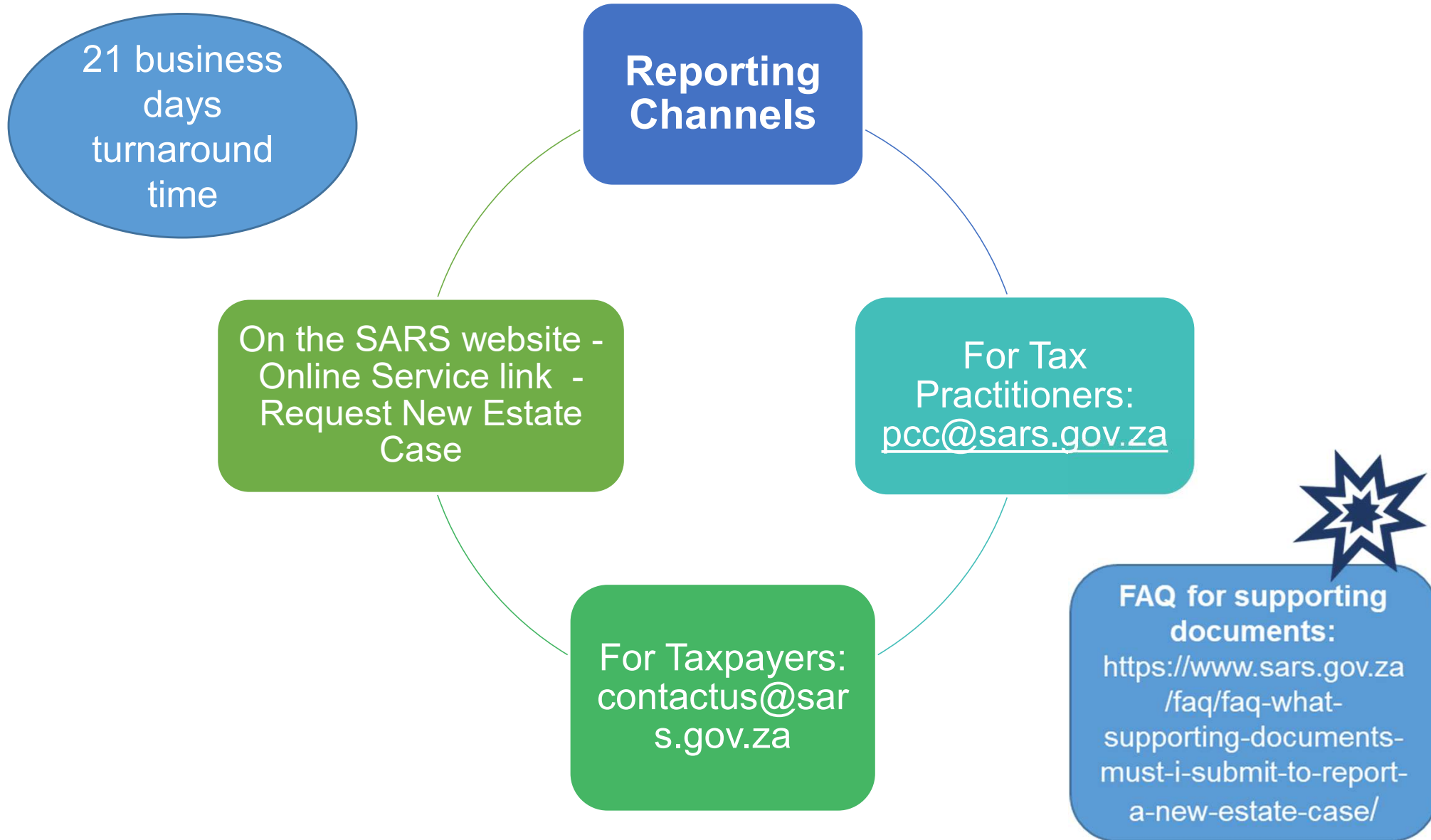
Assessments must be issued and outstanding liabilities must be paid and refunds must be paid out.

Section 17 of the Estate Duty Act

Deceased estate compliance letter is issued as confirmation that all tax affairs are completed at SARS. The Master then approves the distribution.

Reporting a death at SARS

How to report a death at SARS



Communication with SARS

- When a case is reported, the executor will receive a case number.
- This case number must be provided when the executor does a follow-up enquiry or submit any further documents relating to the estate that might be outstanding.
- This ensures all communication is linked to the same estate case.
- When documents are submitted, the file descriptions must be clear to prevent delays in verifying the documents.

Confirmation of reporting at SARS

Notification (engagement letter) to executor

Why a deceased estate must be coded?

- The executor must finalise all the deceased person's tax affairs for SARS to raise the necessary assessments and submit the claims before the Master approves the distribution of the estate by the executor to the beneficiaries.
- Delays may result in delays that ultimately delays the finalisation of the estate and the distribution thereof to the beneficiaries.

Updating the executor's details at SARS

When?

Part of the coding process of a deceased estates is to verify the Representative Taxpayer.

How?

Open link: Registered Representatives | South African Revenue Service (sars.gov.za)

Select <SARS Registered Details> from the menu on the left

Select <Activate Registered Representative>

The appointed registered representative must activate the status on eFiling in order to transact on behalf of the deceased.

Representative taxpayer

Section 13 and 14
of the
Administration of
Estates Act, 1965

Who is the representative taxpayer?

- The official appointed by the Master to attend to the administration of the affairs of the estate.
- The executor is the representative taxpayer of the deceased person and his or her estate (including the representative employer if the deceased was an employer, or the representative employer if the deceased was a vendor)

Section 1 of the
Income Tax Act –
Definitions, Fourth
Schedule, VAT Act

Representative taxpayer

What must happen at SARS?

- When the estate is reported, the details of the executor as the representative taxpayer must be updated and linked to the deceased taxpayer as part of the coding step.

Who must inform
SARS?
The executor

Who must fulfil the
function in SARS?
Portfolio Maintenance

- **Benefit:** The sooner the executor's details are updated, the quicker the administrative function can be initiated to finalise the estate and tax affairs.
- **Risk:** If the details are not updated, it has downstream effects where the necessary tax obligations cannot be performed and everything is delayed.

Compliance

Returns and assessments

When?

Public Notice
under section 25
of the TA Act and
section 67 of the
TA Act

- ✔ As soon as the executor is appointed, all outstanding returns must be submitted.
- ✔ **For deceased person:** All required outstanding returns up to the date of death.
- ✔ **For deceased estates:** If taxable income was earned after the date of death (interest, rental income, etc.) and a second registration was required, all returns of the deceased estate must be submitted until the deceased estate is finalised and deregistered.

Who must submit?
The executor/agent
(POA)

Returns and assessments

Why?

Who must fulfil the function in SARS?
Assessment/Audit

- The returns must be submitted so that the assessments can be issued by SARS (*except for VAT and PAYE that are self-assessed taxes*). All assessments (IT, VAT, PAYE and Estate Duty) serve as the claim that must be submitted to the executor to be accounted for in the L&D account.
- **Benefit:** The sooner the returns are submitted and the assessments are issued, the correct claim will be accounted for in the L&D account.
- **Risk:** If there is a delay in the submission of returns and issuing of assessments, the correct SARS claim is omitted from the L&D account, which requires SARS to object to the L&D account and if not done or not done in time, no claim can be submitted that may result in a revenue loss.

Deceased Estate

When?

- The executor or the authorised agent (for example, a tax practitioner) must register the deceased estate (referred to as the second tax reference number) once the first tax reference number has been coded as “Deceased” and there is taxable income received by or accrued to the deceased estate after the date of death.
- Tax returns for the deceased estate must be submitted for the period after death until the L&D account is approved.

Sections 1 and 25 of the IT Act and section 22 of the TA Act.
Public Notice under section 25 of the TA Act and section 67 of
the TA Act

Payments

Chapter 10 of the
TA Act and
relevant tax Acts

- Payment of all outstanding tax liabilities must be made as soon as possible after the assessments are issued, taking into account the approval by the Master to release funds from the estate bank account.

Sections 9C and
10 of the Estate
Duty Act

- Estate duty liabilities must be paid within 12 months after the date of death unless an assessment is issued within the 12 months then it is payable on the payment date prescribed in the assessment.

Who must fulfil the
function in SARS?
**Debt/Estate duty
team (estate duty)**

Who must pay?
**The executor/agent
(POA)/beneficiary**

Refunds

Chapter 13 of the
TA Act and relevant
tax Acts

Why?

- All refunds due to the estate must be paid into the estate bank account before the case can be finalised and deregistered.

How?

- Refunds in respect of all tax types (excluding estate duty) is refunded through the normal process, however, it will only be paid out of the estate bank account details are verified.
- Estate duty refunds have its own process. The REV16 must be completed and submitted to the estate duty team.
- If there is outstanding tax on income tax, the amount can be deducted from the estate duty refund before the difference will be refunded to the estate, subject written requests.

Finalising deceased estate

Deceased Estate Compliance Letters

Section 17
of the
Estate Duty
Act

When?

- Once all tax returns are submitted, assessments are issued, liabilities are paid and refunds are refunded, the Deceased Estate Compliance letter (DEC letter) can be issued. This is the last step in the process that takes place when the case is finalised.

How?

- Currently, the DEC letter is requested via one of the SARS email addresses
- The DEC letter cannot be requested when a case is reported
- Once the DEC is issued, the Master can approve the estate for distribution.

NB

Deceased Estate Compliance Letters

Channels to request DEC letters:

- ✔ For Tax Practitioners: pcc@sars.gov.za
- ✔ For Taxpayers: contactus@sars.gov.za
- ✔ Estate Duty Mailbox: estateduty@sars.gov.za

21 business
days
turnaround
time

Who can request the
DEC letter form SARS?
The executor/agent
(POA)

Who must fulfil the
function in SARS?
Portfolio
Maintenance



Delays in issuing the DEC letter causes delays in the finalisation and distribution of the estate.

Available online channels

The following channels can be used to code an estate/ submit supporting documents/ submit a queries/ DEC letters:

- For Tax Practitioners: pcc@sars.gov.za
- For Taxpayers: contactus@sars.gov.za
- SARS Online Query System on the SARS website.

For requests on Estate duty/ refunds of estate duty/ DEC letters:

- For Tax Practitioners: pcc@sars.gov.za
- For Taxpayers: contactus@sars.gov.za
- Estate Duty Mailbox: estateduty@sars.gov.za

Available information on Deceased Estates

Estate webpage:

<https://www.sars.gov.za/businesses-and-employers/estates/>

Estate Duty webpage:

<https://www.sars.gov.za/types-of-tax/estate-duty/>

FAQ on Deceased Estates:

<https://www.sars.gov.za/lapd-it-g31-faqs-on-deceased-estates/>

Administration of Deceased Estates leaflet (in collaboration with the Master):

<https://www.sars.gov.za/administration-of-deceased-estates-sars-2022/>

Keep your administration clean

List of Documents:	
Valid Original Will	
Employer information	Contact number of HR
Funeral cover from your employer	
Pension and Group life Benefit	
GEPF	
PSA Death benefit	PSA number
Tax reference number	
eFiling log in detail (password)	Make sure your eFiling security details are up to date
Copies of Tax returns (last 5 years)	Makes it easier for the executor to complete last return
Bank account number (and all linked accounts)	Login detail (username and password)
Property	Title Deed No
Shares / Unit Trust	Account no
Policies	Login detail (username and password)
Motor vehicle	Copy of licences registration papers
Retail accounts: Mr Price / Cellphone account	Account no / Login detail / Passwords
Short term assurance	Broker information
Utility Bill	Account no
Social media accounts -FB / Instagram / Twitter	Account log in details
Medical aid	Medical number
Divorce papers	
Copies of ID	

*Thank you
Re a leboha
Re a leboga
Ndza Khensa
Dankie
Ndi a livhuwa
Ngiyabonga
Enkosi
Ngiyathokoza*