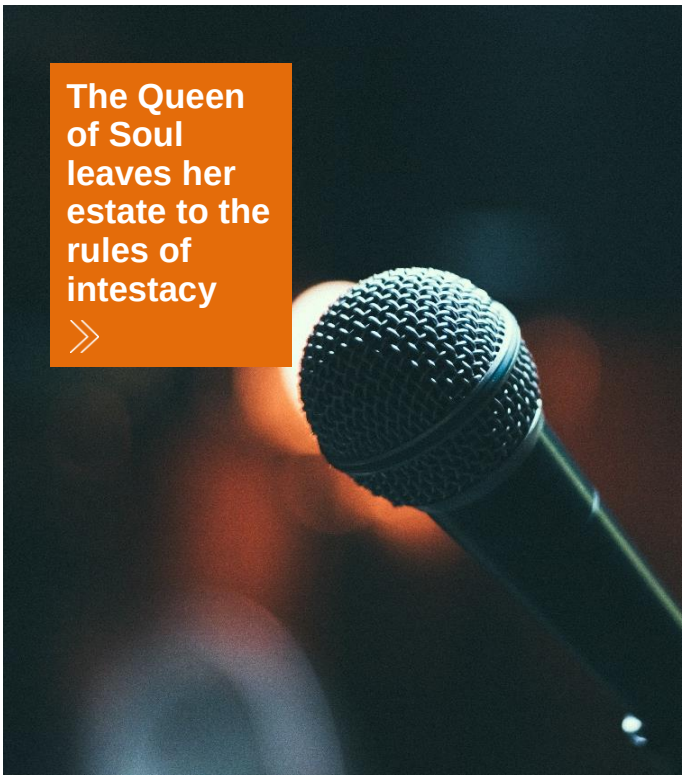
WILL TRUST & PROTECT

NEWSLETTER
September - October 2018

Welcome to our bi-monthly newsletter - This issue looks at Aretha Franklin's multimillion pound estate being left to the rules of intestacy, the responsibilities that come with being named as an Executor, what happens to property when someone dies and lastly, DIY Wills and the risks they present.



Aretha Franklin reportedly died without a Will, leaving no plans for her multimillion pound estate

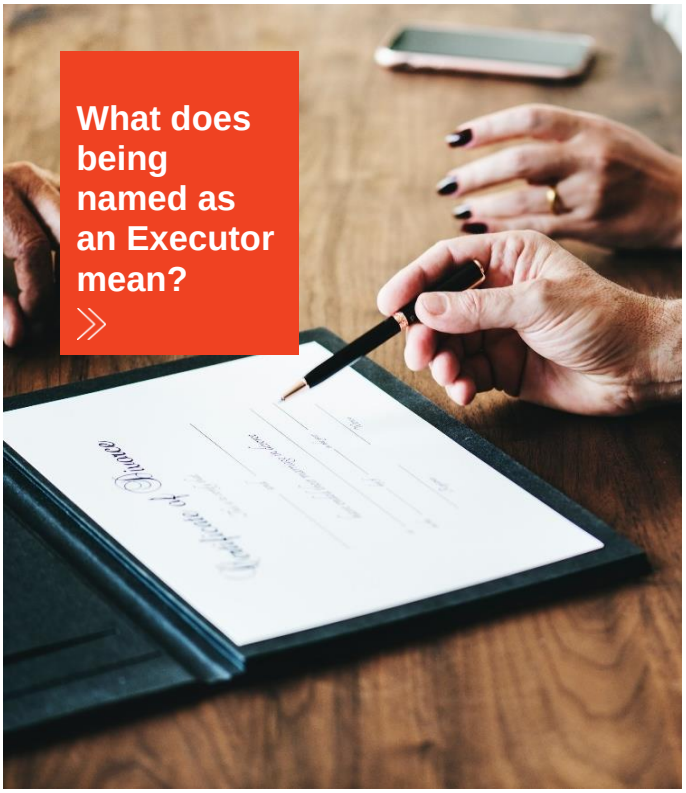
The Queen of Soul, Aretha Franklin, died at the age of 76 and according to reports, she did not leave a Will. After a near six decades in the spotlight and an on-going battle with pancreatic cancer, Aretha passed away at her home in Detroit on Thursday the 16th of August. The iconic singer was the first woman inducted into the Rock & Roll Hall of Fame in 1987 and during her 76 years she earned 18 Grammy Awards, released many popular hits such as "Respect" and "I Say a Little Prayer", and sold more than 75 million records across the world.

Aretha's estate is estimated to be worth around £62 million which may be deemed intestate because no Will has yet been found. The singer was twice divorced and did not remarry, resulting in her multimillion pound estate being split evenly between her four surviving children; Clarence Franklin, 63, Edward Franklin, 61, Ted White Jr, 54, and Kecalf Cunningham, 48, in accordance to Michigan state law.

The likely absence of a Will has shocked many in the light of Aretha's wealth and circumstances. The iconic singer's decision to not create a Will before she died could prompt a court battle over her assets by creditors or extended family members seeking a portion of her estate.

Regardless of wealth, age or health, it is crucial that people understand the importance of planning ahead. The rules of intestacy will divide your estate in a pre-determined way and, regardless of your relations, it could result in your assets being distributed to family members that you would not have chosen to inherit from your estate. Keeping a Will is the only way to ensure you retain control of your decisions and your estate is distributed in a way that reflects your wishes.

Get in touch for more information on planning ahead and keeping a Will.



Being named as an Executor

Around six million people have experience of acting as the Executor of a Will but just 4% realise that they are legally responsible for the accurate distribution of the estate that is entrusted to them. Past research has shown that 96% of Executors did not realise that they were legally and financially responsible for the accurate administration of a deceased person's estate.

An Executor is responsible for administering the estate and is accountable to Her Majesty Revenue and Customs (HMRC) and the beneficiaries. The process of administrating the estate can be daunting given the legal paperwork, tax calculations and various administrative tasks that need to be accurately completed.

The main duty of an Executor is to ensure that the assets and liabilities associated with an estate are managed and dealt with efficiently. This involves valuing the assets, settling all liabilities, such as outstanding debts or mortgages. The Executor is also responsible for distributing what is left to the nominated beneficiaries in line with the instructions left in the deceased's Will. If an Executor breaches their duty they can be held financially and legally liable for the consequences, even if they were unaware of their wrongdoing.

The time that it takes to administer an estate varies according to its size and complexity, as every estate is different. Administering an estate can be overwhelming, particularly as you will also be dealing with the loss of a loved one. However, Executors have the option to choose to appoint a specialist firm to do the work on their behalf, taking away the added stress at an already difficult time.

There is a clear lack of understanding amongst the public about what to do when someone dies. More specifically, the absent understanding of the liability that is associated with administering an estate. If the assets are distributed incorrectly, or mistakes are made during the estate administration process, it can be of great consequence.

For advice on your responsibilities as an Executor, contact us today.

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What happens to property when someone dies

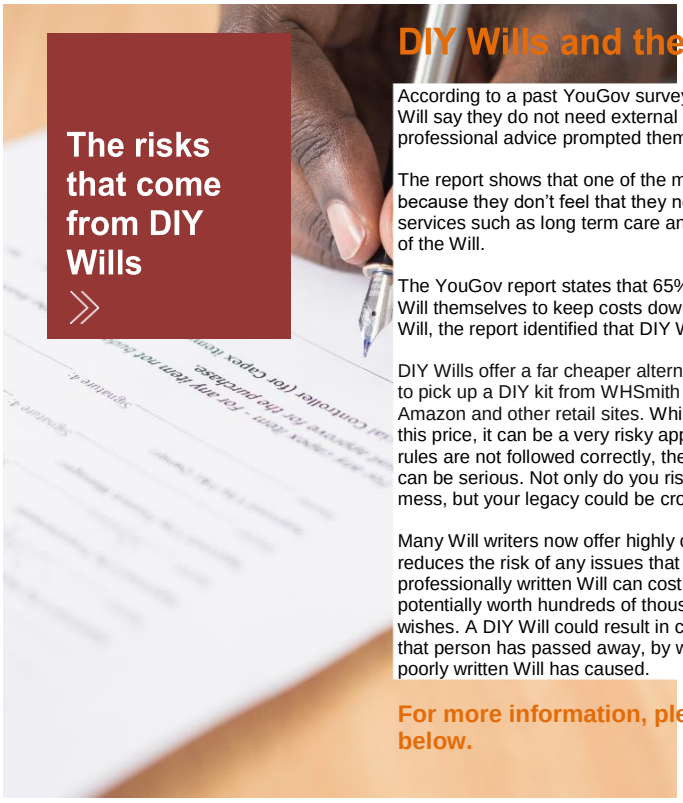
"What happens to a property when someone dies?" is a very popular question and it's important that you understand the answer when it comes to estate administration. When someone passes away, the responsibility of the property automatically falls to the Executor (when there's a Will) or the Administrator (when there's no Will). This means they are accountable for not only the property but the entire estate administration and following the wishes in the Will or distributing the estate as per the rules of intestacy when there is not a Will.

If anything was to happen to the property after the owner had died, they would be responsible for dealing with any issues. Most household insurance policies do not cover unoccupied properties upon death or they have very strict conditions where you will not be covered if you breach any of the terms. The Executor or Administrator also need to take care of the contents and belongings in the deceased's property and deal with any utilities such as water, electric and gas. They must also arrange a valuation and transfer the property to the beneficiary(s) or sell it.

Before these steps can be started, it's firstly important to work out how the property was owned. It could be that the property was owned solely by the deceased or they co-owned it with someone else, so the deceased only had a share in the property. This is because the requirements are different depending on who owns the property, if the intention is to transfer the property into the name of the beneficiary(s). If the deceased was the sole owner, the Executor or Administrator can transfer (assent) the property to the beneficiary(s) using a Land Registry form known as an AS1.

There is a lot to consider when it comes to dealing with the property when someone dies. That's why it's important to know what to do when the time comes and to ensure you have planned ahead to make things easier for the person appointed to administer your estate, as well as reducing the stress for your loved ones at an already difficult time.

For more information on what happens to property when someone dies, don't hesitate to contact us.



DIY Wills and the risks they present

According to a past YouGov survey, a staggering 96% of people who prepare their own Will say they do not need external advice, with 21% stating that fears over the cost of professional advice prompted them to do it themselves.

The report shows that one of the main reasons people prepare their own Will is because they don't feel that they need legal advice, with very few using related services such as long term care and funeral plans that might be offered by the provider of the Will.

The YouGov report states that 65% of people said they would consider preparing their Will themselves to keep costs down. With around one in ten people writing their own Will, the report identified that DIY Will writing is a key inhibitor to market growth.

DIY Wills offer a far cheaper alternative, usually costing around £20. It's even possible to pick up a DIY kit from WHSmith for £16.99; cheaper options still are available on Amazon and other retail sites. While an off-the-shelf Will may seem very attractive at this price, it can be a very risky approach. If errors are made, or if the strict witnessing rules are not followed correctly, the document could be invalid. The implications of that can be serious. Not only do you risk leaving your family with a financial and emotional mess, but your legacy could be crowded by legal bills or unnecessary tax fees.

Many Will writers now offer highly competitive rates and involving a professional greatly reduces the risk of any issues that could delay the distribution of the estate. A professionally written Will can cost as little as £100 and will ensure that the estate, potentially worth hundreds of thousands of pounds, is protected in line with your wishes. A DIY Will could result in costly mistakes that may not be discovered until after that person has passed away, by which time it is too late to rectify the damage that the poorly written Will has caused.

For more information, please contact us using the details below.

Contact us if you have any questions or need further information on planning ahead, what happens to property when someone dies, the responsibilities of an Executor or preparing a Will – we're always happy to provide advice and guidance to suit you. Call us on 01462 615233or email info@willtrustandprotect.co.uk.