

# StChristopher's

**Your  
bereavement:  
dealing with the  
financial affairs  
of someone  
who has died**

This is a very brief summary of some of the issues involved with dealing with the financial affairs of someone who has died. It is intended as an overview, and should be used as a guideline only and not a full statement of the law. Please seek further legal advice for clarification. These guidelines apply to England only, the law differs in Wales and Scotland.

## **Death certificates**

When you register the death the Registrar will provide you with certified copies of the death certificate, for a small charge. These are the official proof showing that the person has died. You are advised to get several certified copies as you may need to send them to a wide range of organisations including banks, buildings, insurance companies.

## **Wills**

It is important to know whether there is a Will as soon as possible. The person named as the executor in the Will takes legal responsibility for dealing with all financial affairs including dealing with the funeral. The deceased may also have included details about their funeral in their Will.

If there is no Will, the intestacy rules apply and one relative, usually the closest relative aged over 18, takes on the responsibility.

If you have been named as an executor in someone's Will and you do not wish to act or you are unable to, you can appoint someone to act on your behalf or make an official 'renunciation' through the probate procedure (see below). This will enable someone else to apply to act instead.

## **Dealing with the estate**

Everything owned by a person who has died is known as their estate. This includes most life assurance payments.

Assets owned jointly with another person generally pass directly to the other joint owner(s). With a

jointly owned home or other property you may need to ascertain if it is owned jointly as a 'beneficial joint tenancy' where the other joint owner will inherit automatically or as 'tenants in common' where each tenant owns their own share separately and the deceased's share will become part of their estate.

If there is a substantial estate, it is usually advisable for the person dealing with the estate to open a new bank account on behalf of the estate so it is clear how things are being dealt with.

## **Funeral expenses**

Provided the person who died has enough money to pay for their funeral, this cost is generally covered first before any of the rest of the estate is distributed. The banks will therefore usually agree to release the money for this if necessary before any other formalities are completed. The banks will let you know what documentation may have to be provided to allow this.

## **Probate and letters of administration**

Probate is the official legal authority to deal with the estate. If there is a Will the executors named in the Will may need to apply for probate through their local probate registry. If there is no Will or the executors are unable to act, the person dealing with the estate may need to apply for 'letters of administration' instead. Applying for probate or letters of administration may not be necessary if the estate is small (under £5,000 as a guide) and the distribution of the estate is uncomplicated. You should seek advice from the banks or other financial institutions involved to see if they require it.

Applying for probate or letters of administration involves completing the relevant forms and attending an interview at the local probate registry. There is a charge for doing this although you can apply for it to be waived in some circumstances.

You can contact the HMRC Probate and Inheritance Tax Helpline on **0300 123 1072** for further information, to request the relevant forms to be sent to you and to identify your nearest probate registry.

## **Do you need a solicitor?**

Many executors and administrators act without a solicitor. However, if the estate is complicated, it is best to get legal advice.

Charges for administering an estate can vary widely so it is a good idea to shop around if you think that you do need a solicitor to act for you.

## **Dealing with debts**

In general any debts owed by the person who died will be expected to be paid out of any estate remaining after funeral costs have been met. Debts taken out jointly will pass to the remaining parties. Mortgages not covered by insurance will remain on any property.

If there is no estate left to pay the debts owed solely by the person who has died, they will be written off. If there is some money available but not enough to cover the amount owed, the creditors will expect the remainder to be apportioned to them all according to the amount owed.

## **Who can inherit?**

If there is a valid Will, the person named as the executor is expected to distribute the remaining estate (after the funeral costs and any debts have been paid) in accordance with the wishes expressed in the Will. There are some limited circumstances where this can be changed. You should seek legal advice if this is a consideration.

When a person dies without leaving a valid Will (intestate), the estate must be shared out according to the 'rules of intestacy'. These set out who and how much people can inherit and how much according to whether they are the surviving spouse

or civil partner or along a set line of close relatives to the deceased. Only married or civil partners and some other close relatives can inherit under the rules of intestacy.

If someone makes a Will but it is not legally valid, the rules of intestacy decide how the estate will be shared out, regardless of the wishes expressed in the Will.

Information on the rules of intestacy can be found on **www.direct.gov.uk** or from HMRC at **www.hmrc.gov.uk** There is a brief summary of the rules in the leaflet *What to do after a death* available from the Department of Work and Pensions.

## Tax and benefits

When someone dies, you need to tell the tax office, and any government offices that were paying benefits to the person who has died, about their death. You need to do this as soon as possible after the death. There may be tax to pay, or their estate might be owed some tax.

## Inheritance tax

Inheritance tax may have to be paid if the estate to be inherited is valued at more than £325,000 (this is the current level for the tax year up to April 2015, the amount may change year by year). There are some exceptions to this rule; for example, a widow or widower can inherit the unused inheritance tax allowance from their spouse or civil partner in addition to their own allowance. You can find out more on the HMRC website at **www.hmrc.gov.uk**

## Useful contacts

You may find the following phone numbers useful:

HMRC Probate and Inheritance Tax Helpline

**0300 123 1072**

Bereavement Advice Centre

**0800 634 9494** (independently funded service)

## Help during your bereavement

If at any time you feel that you need help during your bereavement please speak to a member of hospice staff. For details of the services offered and who to contact, please see the separate leaflet *An introduction to the St Christopher's Bereavement Service*. If you live outside our catchment areas but are able to travel to us we will be pleased to offer you support. Alternatively, if you are looking for more local support, contact your GP surgery or library for details of local bereavement services.

## Other leaflets in this series

*Your bereavement: cancelling pensions and benefits*

*Your bereavement: claiming welfare benefits*



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### **St Christopher's Bromley**

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