

This document gives you a step-by-step guide to key aspects of Estate Administration. Definitions of commonly used terms have been provided over the page.

State Trustees will (where appropriate):

Testator Family Maintenance (TFM) period: Expires 6 months from date of Grant	First 4 months	<ul style="list-style-type: none"> • Obtain the last Will (if any) of the deceased and review its contents • Contact known beneficiaries • Assist with the arrangement and payment of the funeral (if required) • Gather details about the estate, ensure appropriate insurance is in place, and make contact with professionals and service providers (lawyers, accountants, utilities, etc.) • Inspect residential/commercial properties and take action to secure assets • Contact banks and financial institutions to determine asset holdings and any outstanding liabilities • Advertise a Notice of Intention in the appropriate newspaper • Obtain proof of identity of all beneficiaries • Compile a complete list (inventory) of estate assets and liabilities • Apply for and obtain a Grant of Probate/Letters of Administration from the Supreme Court • Advertise a Notice to Creditors in the appropriate newspaper • Assess whether State Trustees' other services (for example, financial planning, tax services) may be of benefit to beneficiaries • Gather instructions from beneficiaries regarding the sale or transfer of assets 	Provide regular updates to beneficiaries (unless otherwise agreed)
	5 to 10 months	<ul style="list-style-type: none"> • Bring in monies from banks and financial institutions • Make arrangements to sell or transfer assets (including liaising with real estate agents where applicable) • Prepare and lodge tax return to date of death (Note: a tax return for the deceased is required, even if they had never previously lodged a tax return) • Sell real estate and other assets (if applicable) • Invest funds brought in (monies from banks/financial institutions, sale proceeds, etc.) in State Trustees' Common Fund (interest earned on monies deposited in the Common Fund is credited to the estate) • Determine validity of creditors' claims and pay as appropriate • Work with beneficiaries to try to resolve disputes (if any) • Arrange legal defence of any claim(s) made against the estate • Confirm entitlements with beneficiaries 	
	10 to 12 months	<ul style="list-style-type: none"> • Transfer assets to beneficiaries (including real estate, if applicable) • Commence estate finalisation process (this normally occurs after the TFM period expires) • Lodge final estate tax return • Provide beneficiaries with their share of the estate (after taxation clearance is received) 	

Definitions of Terms commonly used in Estate Administration

Administrator	A person or entity responsible for administering a deceased estate where there is no Executor. Duties are the same as an Executor's.
Beneficiary	Person or organisation who receives a benefit under a Will or upon an Intestacy.
Creditor	People or organisations to whom someone owes money.
Estate	The sum of the assets (for example, real estate, bank accounts, shares, etc.) and liabilities (for example, credit card debts, mortgage, etc.) of a deceased person. In some cases, it may include superannuation.
Estate Administration	The process of dealing with an estate that enables it to be distributed to beneficiaries. This process requires knowledge of taxation, financial planning and the law.
Executor	The person or entity appointed under a Will to administer the estate of the deceased. An Executor is responsible for the identification, administration and distribution of assets in accordance with the Will and the law.
Finalisation Process	The finalisation process involves reconciling all estate transactions, preparing an estate tax return, and distributing estate assets.
Grant of Probate	Court document formally authorising the Executor to administer the deceased's estate.
Grant of Letters of Administration	As for Grant of Probate, but the term applies to the Grant given where there is no Will.
Intestacy	When a person dies without a Will they are said to have died 'intestate'. In these cases the law determines which family members are entitled to the estate.
Legacy	A gift of money or personal property as specified in a Will. Also called a 'bequest'.
Legatee	A person who receives a legacy.
Notice of Intention	A public advertisement giving 14 days' notice that an application is to be made for a Grant of Probate or Letters of Administration.
Notice to Creditors	A public advertisement giving any potential creditors 2 months to make a claim on the estate.
Testamentary Trust	A trust created within a Will, which takes effect after the estate has been administered.
Testator/ Testatrix	The person making a Will. 'Testator' applies to males, 'Testatrix' applies to females.
Testator Family Maintenance (TFM)	This term describes a legal claim that a person may bring seeking a share (or a greater share) of a deceased estate. The claimant must show that the deceased had a responsibility to make provision for the claimant but failed to do so. A claim must generally be brought within 6 months of the Grant, and for this reason the estate is in normal circumstances not distributed until this period has expired.
Trust	A trust is created when, for example, Person A gives something to Person B to look after for the benefit of Person C. The trustee is Person B. The beneficiary of the trust is Person C.
Trustee	An individual or organisation which holds or manages and invests assets for the benefit of another.
Will	A legal document in which a person specifies how their estate is to be dealt with after their death.

Questions?

Call State Trustees

03 9667 6466

Residents outside the Melbourne metropolitan area can call

1300 138 672

or visit

www.statetrustees.com.au

