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**How to Settle an Estate**

**A Guide for Executors**

If you have been asked to be an executor for a loved one’s will or if you are trying to figure out whom to choose as your own executor, you should be aware of what an executor needs to do.

Most executors are laypeople. Settling an estate basically means collecting assets, paying debts and distributing property. You can always decline the responsibility-but if you accept, you may be paid professional fees for your time (more than $100 an hour is not unusual) and have the comfort of knowing that you are fulfilling the wishes of the deceased.

Here are the steps you must take…

**Step 1: Register as executor of the estate**. Most estates go through a process known as probate, in which the original will and death certificate must be registered with a local government of ice-typically the Register of Wills. Once you register the documents, you will be certified as executor. The office often provides you with a list of your required duties and deadlines for placing death notices in the newspapers and filing progress reports on the estate settlement.

**Step 2**: Gather the assets. Prepare an inventory of the estate’s assets and their approximate values. With proof of your status as executor, you will be able to do this by taking these steps…

-Searching the deceased’s personal papers and belongings.

-Checking safe-deposit boxes for important papers and valuables.

-Presenting your certificate at the deceased’s post office to get his/her mail sent to you.

-Contacting all brokerage houses that the deceased used in the last five years to obtain records, cancel standing orders and revoke the power to buy stocks.

-Reviewing past income tax returns.

-Getting appraisals of valuables, such as antiques. The Yellow Pages lists appraisers for real estate and other assets.

**Step 3:** **Decide whether you need a lawyer.** If the estate is complex, hire one. Local bar associations have lists of estate lawyers, or contact the American Bar Association, 312-988-5522, [www.adanet.org](http://www.adanet.org).

**Step 4**: **Pay off debts**. Set up a central bank checking account in the estate’s name to handle distributions and receivable. Pay for the funeral, any outstanding medical bills and other obligations. Figure out if any assets need immediate attention, such as a vacant apartment that should be rented. Set aside money for estate expenses, including payment for your own services. Executors are entitled to reasonable fees based on time and effort. My law firm charges $130 to $325 an hour, depending on whether a paralegal or and attorney handles the case. In some states, compensation is based on a percentage of the estate.

**Step 5: Make distributions**. Give out the deceased’s property an indicated in the will. File progress reports with the Register of Wills.

Special cases…

If there isn’t enough money to give specified amounts to beneficiaries, state law controls percentage distributions. If the deceased leaves property to a beneficiary but no longer possesses that item upon his death, the beneficiary is not entitled to any other property or cash.

**Step 6: Protect yourself.** You are liable for breaches of your legal fiduciary duty. Beware of potential conflicts of interest. If you think a transaction might be questioned, get court approval before selling the assets. Get signed releases from everyone who receives something stating what they received and when. Have the documents notarized and keep copies. Keep written records of conversations with relatives. Too many executors are sued for not keeping beneficiaries informed.