

Premier



# A trusted service your family can rely on

A guide to our Estate Administration Service



NatWest

We're here to help

Administering an Estate can be challenging and time-consuming. We are here to take care of the details, offering professional help at a difficult time.

- 04 How our Estate Administration Service works
- 05 How can we help?
- 07 Sorting out the tax
- 08 Financial advice for Beneficiaries
- 09 Your questions answered
- 10 Glossary
- 11 Find out more

#### **Becoming a Premier customer**

NatWest Premier is available to all customers with a sole income of at least £100,000 or a joint income of £120,000 paid into their NatWest account, or minimum outstanding mortgage borrowings with us of £500,000, or savings and investments of at least £100,000 held with us. You must also be aged 18 or over and permanently resident in the UK.



## How our Estate Administration Service works

After the person whose Estate we're administering has died and we've established if there's a Will in place we'll contact the main Beneficiaries to explain the terms of the Will.

If there's no Will and we've been appointed as Administrator we'll contact those who benefit under the rules of Intestacy.

After this initial discussion, we'll collect all relevant paperwork, such as insurance policies and savings and loan records. We'll explain how we deal with each issue and let the Beneficiaries know if anything may delay us in completing the administration of the Estate. We'll then keep the Beneficiaries informed throughout the process.

When the Administration's complete we'll produce a set of accounts and send copies to the main Beneficiaries showing how we distributed the Assets and settled the Liabilities and costs.

Please note that we cannot act as Trustee where we are appointed as Trustee of funds having acted as Executor or Administrator of the Estate out of which the trust funds have arisen. However, in limited circumstances we may act as Trustee where a Trust is to be wound up as part of the Estate Administration Service. Where we cannot act as trustee we will arrange for a suitable alternative trustee to be appointed.

Our Estate Administration Service is provided by Hugh James, Solicitors. If your Estate is in Scotland, Hugh James, Solicitors will appoint Brodies LLP, Solicitors to act on their behalf.

Enclosed: 'Will Writing Service Fees, Estate Administration Service Fees and Terms and Conditions' document.



During the Administration, we'll deal with your concerns and queries and explain anything that isn't clear.

## How can we help?

Estate Administration can be a lengthy and complex process. Usually there are the Estate's Liabilities to deal with, such as funeral expenses, household bills, taxes and any other outstanding debts as well as its Assets to distribute.

### We're here for you

Once you've selected our Estate Administration Service, we'll take care of these details for you. This guide explains everything we'll do and the service you can expect from us.

### A dedicated service at a difficult time

We'll work to ensure the wealth of the person who has died (the deceased) is passed on in an efficient and professional manner. Our first priority is to protect the Estate's Assets. We'll then make sure that all debts, taxes and Liabilities are paid and Beneficiaries receive what's due to them from the Estate promptly and impartially.

Our team is sympathetic, knowledgeable and will treat any concerns and queries in total confidence. Our role is to ensure that the terms of the Will are carried out. If there is no Will, we'll ensure a correct distribution to all Beneficiaries entitled by law.

### What the process includes:

- Explaining the terms of any Will or Intestacy to the main Beneficiaries so there's no misunderstanding about the way in which the Estate will be distributed.
- Securing any property so that it meets the terms of any home insurance policy.
- Establishing what Assets and Liabilities make up the Estate.
- In England and Wales, inserting the Statutory Notices to Claimants (we explain this in the Glossary).
- Paying any Inheritance Tax that's due.
- Obtaining the Grant of Representation or Confirmation authorising NatWest to act in the Estate.
- Collecting any Assets and paying any debts.
- Creating a reserve to cover any unexpected Estate Administration costs.
- In Scotland, dealing with any Legal Rights payments which may be applicable.
- Settling any legacies and when possible making interim payments to the final Beneficiaries.
- Reviewing the tax affairs of the person who has died and liaising with HM Revenue & Customs on behalf of the Estate.
- Distributing the remainder of the Estate in line with the terms of any Will.
- Producing a final set of accounts.
- Keeping the main Beneficiaries informed throughout.



## Sorting out the tax

Working out the different taxes that need to be paid when someone dies can be complicated – but you can trust us to make it as simple as possible.

Unless there's an accountant already involved, we will ensure that tax specialists review the tax affairs of the deceased. They'll deal directly with HM Revenue & Customs (HMRC) and agree how much tax is owed, taking into account any tax reliefs or exemptions available. In some cases, a refund may be due. The cost of this work will normally be charged to the Estate.

### Inheritance Tax

Inheritance Tax is a tax generally payable on the value of an Estate (after death). It's payable over a certain amount (or 'threshold'), subject to specific tax exemptions and reliefs.

To establish how much of an Estate is liable to Inheritance Tax, we'll consider all the Assets and Liabilities held in the name of the deceased, together with any lifetime gifts. Assets would typically include property, possessions, savings and investments, while Liabilities might include an outstanding mortgage or loan, unpaid bills or any taxes owed.

Any Inheritance Tax owed to HMRC must be paid before we can share out the Assets to the people named in the Will as Beneficiaries. In most cases, the Inheritance Tax bill is usually settled using funds which are readily available in the Estate – for example, in a savings account of the deceased.

### Income Tax

Income Tax may be due on any income received by the Estate (at the current rate).

If Income is distributed to a Beneficiary, they may also be subject to tax. We will provide an appropriate tax certificate, which they can then submit to HMRC with their Income Tax return. We'll explain exactly what needs to be done at the time.

If a Beneficiary doesn't pay tax, or pays it at a higher rate, these certificates will help them apply for a tax refund or to make an additional payment. It's very important for Beneficiaries to keep a careful note of the income received from the Estate.

### Capital Gains Tax

Capital Gains Tax may be payable on the sale of Assets

- (i) within the Estate during the administration or
- (ii) on behalf of the deceased where the Assets were sold before they passed away.

The rules on Capital Gains Tax can be quite complex, so we'll always take the time to explain things carefully to the Beneficiaries. If there's a Capital Gains Tax bill to be paid in the Estate, we'll use Estate funds to settle it.

If any Assets are transferred to a Beneficiary, we'll tell them what their probate value (the acquisition value) is. This value is important as, if these Assets are sold in the future at a higher value, there may be Capital Gains Tax to pay on the sale.

Tax reliefs and other matters referred to above are those applying under current legislation, which may change, and the value and availability of any such reliefs depend on your individual circumstances.

## Financial advice for Beneficiaries

If you're a Beneficiary of an Estate, we may be able to offer financial advice to help you make the most of your inheritance – whether or not you're currently a NatWest customer.

Fees apply for this service, however we can arrange an initial, no-obligation meeting to understand if financial advice would be suitable for you, and to clearly explain the charges and fees that would apply.

Our qualified advisers can help you decide how to make the most of your wealth and can offer guidance on investments, insurance, pensions and tax planning. To find out more, please speak to your local NatWest branch. If you are a Premier customer, please speak to your designated Premier Banking Manager or visit our website at [natwest.com/premier](https://natwest.com/premier)



## Your questions answered

### Q: When should I expect to receive my inheritance?

A: Most of the Estates we administer are finalised within 12 months from the time we start. Some matters, however, are beyond our control. For example, obtaining tax clearance is largely dependent on HMRC, while the sale of a property will reflect the conditions of the property market. We'll let you know of any unexpected delay.

### Q: What happens if the Will is disputed?

A: This rarely happens, but when it does we usually seek legal advice to confirm the interests of the Beneficiaries before making any payments. In England and Wales, we may also defer making payments for seven months after the Grant of Representation is issued if we know that someone may be able to claim on the Estate under the Inheritance (Provision for Family and Dependants) Act 1975. We'll let you know if it's necessary to delay payments to you for this reason.

### Q: How much does this service cost?

A: Our fees are usually deducted from the Estate, and if we're the Executor, the charges will probably have been authorised in the Will. If we're appointed as the Administrator, the Beneficiaries will agree charges before we carry out the work. Please see our 'Will Writing Service Fees, Estate Administration Service Fees and Terms and Conditions' document for further details.

### Q: Are there any additional costs not covered by your own fees?

A: Yes. Court fees will need to be paid when we apply for the Grant of Representation. Fees for specialist services may also have to be paid to third parties, such as solicitors and estate agents (for example, in relation to marketing and conveyancing services where a property is to be sold), and to tax consultants. These fees are deducted from the Estate and will vary depending on the circumstances of each case. Details of these fees for a particular Estate will be available from the Bank.

### Q: If a property is part of the Estate, do you always arrange for it to be sold?

A: No. We try to deal with the property according to the wishes of the Beneficiaries. For example, we may be able to transfer the property into the names of the Beneficiaries after receiving the Grant of Representation or Confirmation if that's what everyone wants and if circumstances allow.

### Q: Does NatWest provide this service itself?

A: No. Our Estate Administration Service is provided by Hugh James, Solicitors. If your Estate is in Scotland, Hugh James, Solicitors will appoint Brodies LLP, Solicitors to act on their behalf.

## Glossary

<b>Administration</b>	The process of securing and collecting an Estate's Assets, settling liabilities and distributing the Assets of someone who has died according to the terms of the Will or rules of Intestacy.	<b>Inheritance Tax (IHT)</b>	Primarily a death duty, charged on the value of a person's Estate at death, but also on certain lifetime gifts – subject to specific tax exemptions and reliefs. Bequests to a surviving spouse/civil partner, a registered charity and some other types of organisation are free of tax. IHT is taken from an Estate before the Assets are handed over to the Beneficiaries.
<b>Administrator</b>	The person chosen to administer an Estate where the deceased has not left a valid Will, or where the named Executor is unwilling or unable to act.	<b>Intestacy</b>	Dying without leaving a valid Will – which means the Estate is distributed according to the laws of Intestacy.
<b>Assets</b>	The property of a person who has died, such as a house and its contents, investments and life assurance policies. Together with any liabilities, they form the 'Estate'.	<b>Legacy</b>	A gift to a named person or organisation made in a person's Will.
<b>Beneficiary</b>	A person or organisation that has a legacy under a Will, or is entitled to inherit all or part of the Estate under the Will or the rules of Intestacy.	<b>Legal Rights</b>	In Scotland, fixed proportions of the Estate to which children or surviving spouses/civil partners are entitled regardless of the terms of the Will.
<b>Capital Gains Tax (CGT)</b>	The tax due on the profit or net gain made on the 'disposal' (usually the sale) of an Asset, such as shares. There is an annual CGT allowance up to which gains are tax-free.	<b>Liabilities</b>	The debts that need to be settled by the Estate of someone who has died, such as funeral expenses, household accounts, taxes, bank fees and any other outstanding debts.
<b>Codicil</b>	A document produced as an addition or amendment to a Will.	<b>Residuary Beneficiary</b>	A person or organisation entitled to receive a share of the residue of an Estate.
<b>Confirmation</b>	In Scotland, a legal document issued by the courts giving Executors' authority to deal with the Estate, whether or not there is a Will.	<b>Residue</b>	What is left in an Estate after all debts, legacies, taxes and Administration expenses have been paid.
<b>Deed of Variation</b>	If the Beneficiaries agree by using such a Deed, executed within two years of the death, they can vary the division of an Estate in any way they wish. This can include disclaiming or varying any benefit under a Will, Intestacy or legal rights.	<b>Tax return</b>	An end-of-year breakdown of all your income and deductions (where relevant) that must be submitted to HM Revenue & Customs for tax assessment purposes.
<b>Estate</b>	The combined Assets (such as property, money and investments) and the Liabilities (such as debts) of someone who has died.	<b>Testator (trix)</b>	Man (or woman) making a Will.
<b>Executor</b>	The person or company (e.g. NatWest) named in a person's Will as responsible for dealing with the Estate and ensuring that the terms of the Will are met.	<b>Trust</b>	A legal arrangement where Assets are held for the benefit of a person or people for a specific period of time, or until specified conditions are met. A Trust allows you ('the Settlor') to transfer Assets to a third party ('the Trustee') for the future benefit of the people you choose ('the Beneficiaries'). Once you have placed assets in a Trust, you cannot withdraw them (except in the case of revocable Trusts, which are not as tax efficient). The document that creates the Trust is called the Trust Deed. A Trust can also be created on death through the terms of a Will or under the rules of Intestacy.
<b>Grant of Letters of Administration</b>	In England and Wales, a legal document issued by the courts giving an Administrator authority to handle the Estate of someone who has died.	<b>Trustee</b>	The person or company who looks after the Assets in a Trust.
<b>Grant of Probate</b>	In England and Wales, a legal document issued by the courts confirming that a Will is valid and giving authority for the Executor to deal with the deceased's Estate.	<b>Will</b>	A legally binding document setting out the distribution of an individual's property and other Assets on his or her death.
<b>Grant of Representation</b>	In England and Wales, either a Grant of Probate or a Grant of Letters of Administration and in Scotland, Confirmation (see earlier). Without this, an Administrator such as NatWest would not be allowed to act for the Estate, as it enables us to collect the deceased's Assets and settle any debts.		

Find out more

Discover how the NatWest Estate Administration Service can help you.

To see how our Estate Administration Service could work on your behalf, call our Estate Administration Service on **0800 161 5903**.

Relay UK: **18001 0800 161 5903**

Lines open Monday to Friday 8am–6pm and Saturday 9am–1pm.

Calls may be recorded.

Please note there is a fee associated with the Estate Administration Service.

Enclosed: 'Will Writing Service Fees, Estate Administration Service Fees and Terms and Conditions' document.

