

- List of assets of the deceased.
- Original Title deed(s) for any immovable/fixed property owned by the deceased.
- IDs of all children of the deceased.
- Proof of address and contact details for the executor.
- Marriage certificate(s) of all children of the deceased.
- Marriage certificate of the deceased.
- Copy of- / original ID of the executor.

WHEN MUST AN ESTATE BE REPORTED?

In terms of Section 7 of the Administration of Estates Act, an estate must be reported to the Master of the High Court within 14 days from the date of death.

ESTATE LATE BANK ACCOUNTS

At death, the assets of a deceased person are frozen and no one may withdraw funds from the deceased's bank accounts after his or her death.

Depending on the value of the estate, an estate late bank account must be opened in the name of the estate - i.e. "Estate Late John Doe". Only the Executor has access to this account and is the only one who can obtain statements or other information on the account.

When using professionals to administer the estate, the relevant professional will open the bank account, and invest any funds in the appropriate investment tool.

CONTACT US

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**YOUR GUIDE TO
DECEASED ESTATE
ADMINISTRATION**

WHO WE ARE

MI Attorneys was founded in 2020 with the intention of providing affordable, honest and ethical legal service.

MI Attorneys is a specialist conveyancing, property law and deceased estate administration law firm based in Cape Town.

THE MASTER OF THE HIGH COURT

The Master of the High Court is a government institution tasked with overseeing the administration of deceased estates by various professionals, such as attorneys and accountants, as well as estates administered by the general public.

Each province houses a Master of the High Court and there are various offices located across the country. The Master of the High Court is also the governmental institution charged with the protection of the interests of minors, supervisions and custodianships.

ADMINISTRATORS OF ESTATES

MI Attorneys is a specialist administration of deceased estate firm. When an individual passes away, with or without a will, a professional equipped with the correct knowledge, experience and skills is required to administer a deceased estate.

It is therefore, exceptionally important for the executor (in the case of a will) or a nominated executor (in the case of no will) to appoint the right person for the job.

An executor does not always have to be the administrator. However, the executor CAN also be the administrator, if they are professional persons.

Once the executor has chosen the appropriate professional to assist with the administration of the estate, the executor will grant the administrator a Special Power of Attorney to carry out all of the work required for the successful administration of the estate.

ADMINISTRATOR/EXECUTOR'S FEES

Because administrators/executors act in their professional capacities, and apply their acquired skill and knowledge of the law to administer the estate, they are entitled to charge the legally prescribed fee of 3.5% plus VAT calculated on the gross asset value.

So, for example, if the value of the estate is R1 500 000.00, the executor would be entitled to a fee of R60 375 including VAT.

It is therefore, important for estate planning purposes, that one ensures that there is sufficient cash in the estate to pay for the necessary expenses, otherwise, the heirs to the estate will have to cover these costs.

OTHER FEES PAYABLE BY THE ESTATE/HEIRS

- The Executor can charge 6% on income earned after death - i.e. rental income or interests received on investments.
- Masters Office Fees: For estates worth less than R400 000 the fee is R600. Thereafter, it is calculated on a sliding scale, and the maximum fee is R7 000.
- Estate Duty Tax
- Advertising costs up to R2 000.

- Estate agent's commission: applicable if the property is sold from the deceased estate. The average estate agent commission is 7.5%.
- Transfer/Conveyancing costs: if the heirs take transfer of the fixed property in the estate.
- Capital Gains Tax and/or donations tax.
- Bond cancellation fees.

GENERAL PROCESS OF WINDING UP AN ESTATE

2-3 months after the estate has been reported, the Master will issue Letters of Executorship. The Letters of Executorship gives power to the Executor to act on behalf of the deceased estate.

Once the Letters of Executorship have been issued, a notice to creditors and debtors is placed in the local newspaper.

The Liquidation and Distribution Account must be submitted to the Master by the executor, and once approved, an inspection notice must be placed in the local newspaper.

Once 30 days have lapsed after the inspection notice, the estate is distributed between the heirs.

WHAT DOCUMENTS TO BRING TO YOUR CONSULTATION

- Death certificate.
- Will (if applicable).
- Proof of Address of the deceased.
- List of all the debts of the deceased.
- Any existing bond account number(s).