

Settling an estate, what are the steps

BY SHEILA MILLER LITITZ — In this week's issue of Lancaster Farming we'll examine the procedure for settling an estate, and check out the qualities needed in a good executor.

No matter how morbid the subject of estate settlement is to an individual, each member of a family should be familiar with what needs to be done.

Important documents, such as the will, deeds to property, and policies for insurance, need to be discussed. The location of these important papers should also be shared with a spouse, children, or the appointed executor of the will.

If these details are worked out ahead of time, the trauma of death will not be shrouded with troubles of confusion and lost paperwork.

Now, let's assume the inevitable happens, and there is a death. What happens next in settling an estate?

The first step involves filing the deceased's will at the Register of Wills office in the county courthouse. This procedure, according to the Pennsylvania Farmers Association's Richard Dennison, is called probating or "proving" the Will.

"If the will appears to be in order, the Register will issue a document called 'Letters Testamentary'. That document appoints the person named in the will to act as executor and gives that person the legal power to administer and settle the estate."

The next step involves advertising the estate and the appointment of the executor in local newspapers and legal publications. By making the settlement

procedure public information, the executor gives notice to any creditors of the deceased that they may file any legal claims against the estate within a specified time period, as advertised.

At this time, the executor should locate and inventory all personal assets of the decedent, which might include stocks and bonds, bank accounts, farm equipment, and real estate. These assets are then appraised and given a value as of the date of death for taxation and distribution purposes.

Any property that was owned jointly must also be appraised and assigned a value. But, this property will automatically pass to the surviving owner.

All of the valuations and the inventory of assets must then be filed with the Register of Wills. The decedent's bank accounts may be closed and transferred to an estate account, opened by the executor, for paying any bills owed by the estate.

The executor should make a list of all known debts, deductions, and liabilities, along with estimating the state and federal taxes the estate will owe. A plan for paying these debts and taxes should take advantage of all discounts and time extensions legally available.

Penn State's Circular 567, Estate Planning for Pennsylvania Families, recommends that "if sufficient funds are available to pay debts and taxes, the executor should arrange to distribute all personal property so that the risk of loss, damage, theft, or other property injury is eliminated".

Unless a time extension is applied for and granted, the Pennsylvania inheritance tax must be paid within nine



months. If paid within 90 days a discount is allowed.

The Federal Estate Tax is also due in nine months.

So, it is up to the executor to see that the tax returns for the estate, are prepared and

also the decedent's income tax return is filed.

If the executor feels it is advisable, a portion of the Pennsylvania Inheritance Tax could be paid within

three months so that the

estate taxes will be reduced by 5 percent.

The executor should then obtain the families or courts approval for the accounting and distribution of the estate. Keeping enough funds for any tax adjustments (after the tax returns are reviewed by the state and Internal Revenue Service) and to cover any unpaid bills, the executor can make arrangements to distribute the remainder of the estate.

Once all outstanding bills are settled, the estate can be closed and the executor dismissed.

The job of executor of an estate is not an easy task. Depending on the complexity of the estate, it may take years before all the details are worked out and settled.

Who makes a good executor? That depends on each individual case.

Sometimes a member of the immediate family will have the time and the knowledge to handle the estate without a hitch. Then again, it might require an attorney or bank to be able to work out the complex cases.

No matter who is selected, be sure they are honest, reliable and familiar with all

the details of your estate prior to them needing to know. It's a tough job and anything that can be done to help things go smoothly should be done for the sake of the survivors.

Next week, we will look at another estate planning tool that works while you're living. It's called a partnership.



GEBHART'S SANDBLASTING & RESTORATION INC.

Box 109AA, R D. 1
Abbottstown, Pa. 17301
717-259-9868

- Water Blasting
- Chemical Cleaning
- Brick & Stone Repointing & Waterproofing

**SPECIALISTS IN CABLEVEY
FEED CONVEYING AND AUTOMATION**

FEED SYSTEMS

**FARM - URBAN - COMMERCIAL BUILDINGS
SPECIALIZING IN COMPLETE SYSTEMS FOR HOG AND DAIRY**

AUTHORIZED DISTRIBUTOR
**SCHULD BULK FEED BINS AND
MECHANICAL FEEDING SYSTEMS**
From 3 Ton to 125 Ton Capacity

- High Pitch Top
- 60° Center Draw
- Factory Built
- Factory Delivered
- Factory Erected

Dealer for GINGWAY FREE STALLS
MERVIN MILLER
★ SALES & SERVICE ★ BUILDERS OF FINE SYSTEMS
7 KEENER ROAD, LITITZ, PA 17543 717-626-5204

TERRE HILL SILO CO. INC.
Serving The Farm Community For Over One-Half Century
TERRE HILL, PA. 17581

Manufacturers & Erectors of Terre Hill
TRI-RIB STAVE SILO

FOR OLD FASHIONED PRIDE OF WORKMANSHIP

SEE AND COMPARE THE PROVEN INTERIOR SILO FINISHES

AUTHORIZED DEALER: Patz

CALL TERRE HILL (215) 445-6736 or
SALESMAN - JAMES ESBENSHADE - 717-464-2090