

# LEGALASE EXPLAINER

**ESTATE FEE** – the executor is entitled to charge a fee to administer the estate. The maximum allowed fee is **3.5% of the gross value deceased's assets** (i.e. before deduction of administration costs) and **6% of the post-death income**. If the executor instructs an attorney to administer the estate on his behalf, then the **attorney will usually charge the whole 3.5% (or such other negotiated percentage) as payment** for administering the estate for the executor.

**MASTER'S FEE** – charged by the Master of the High Court to examine the Liquidation & Distribution ("L&D") account. This fee is paid by the estate as an administrative cost (or if there is no cash in the estate then by the heirs) and is set by the Government based on the value of the estate.

**ADVERTISING COSTS** – to cover the costs of advertising the estate in the **Government Gazette and a local newspaper x2 times**.

**POSTAGES AND PETTIES** – to cover costs of photocopies and post.

**ESTATE DUTY** – a tax charged on the net asset value of the estate (after applying the allowable tax deductions). The first **R3.5m is not subject to tax**. A tax rate of **20% is charged on the first R30m** and a **rate of 25% on value >R30m**.

**OTHER COSTS** not shown can include:

- **Conveyancing Fees** – kindly refer to *our conveyancing brochure*.
- **Appraiser's Fee** – to determine the value of assets, e.g. antique furniture.
- **Tax Practitioner's Fee** – to register the estate as a taxpayer with SARS.



## ABOUT US

Founded in 2017, Hutchinson Attorneys Inc is a young and forward thinking law firm specialising in conveyancing transfers, notarial authentication and ante-nuptial contracts, drafting of wills and the creation of trusts, and the administration of estates.

SCAN TO ADD ME



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# THE ESTATES SURVIVAL GUIDE

## INFORMATION ON THE STEPS AND COSTS INVOLVED WHEN ADMINISTERING AN ESTATE

### REPORT ESTATE

**STEP 1: Obtain documents: ID, Death & Marriage Certificates, etc.**

**STEP 1.1: Locate original will** (if any).

**STEP 2: Obtain bank balances and asset values.**

**STEP 3: Complete estate forms:** Death Notice, Inventory, etc.

**STEP 4: Submit forms & original will** (if any) to Master of the High Court.

**STEP 5: Collect Letters of Executorship** from Master **after 15-30 days**.

### ADVERTISE ESTATE AND L&D ACCOUNT

**STEP 6: Place 1<sup>st</sup> advert** in Government Gazette & local newspaper.

**STEP 6.1: Open estate bank account** and arrange for cash deposits (if any).

**STEP 6.2: Submit Power of Attorney to the Master** (if selling inv. property).

**STEP 7: Prepare Liquidation & Distribution ("L&D") Account after 30 days.**

**STEP 8: Submit L&D** to the Master.

**STEP 9: Collect permission to advertise** from the Master **after 30-60 days**.

**STEP 10: Place 2<sup>nd</sup> advert** in Government Gazette & local newspaper.

**STEP 10.1: Submit copy of L&D at local Magistrates' Court** (if applicable).

### DISTRIBUTE ASSETS AND FINALISE ESTATE

**STEP 11: Distribute cash and other fixed assets to heirs after 21 days.**

**STEP 11.1: Transfer property to heirs** (if any, can be done earlier if selling).

**STEP 12: Submit final documents** to Master of the High Court.

**STEP 13: Collect filing slip** from Master.

### TOTAL ESTIMATED TIME = 6-12 MONTHS

- **Additional steps may be required** that can cause delay.
- The process **may take x2 or x3 times longer** as a result of:  
**Delays with the Master of the High Court, banks or disputes.**

**LOOK INSIDE FOR MORE INFO**  
ON WHAT COSTS TO EXPECT WHEN ADMINISTERING A  
DECEASED ESTATE



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# ESTATE COSTS

We are not registered for VAT so our fees will exclude VAT.

Estate Duty is illustrative purposes only. The actual amount will be determined by SARS.

Estate Value	Estate Fee @ 3.5%	Posts & Petties	Advertising Costs	Master's Fee	Estate Duty	Total
<249,999.00	8,749.97	260.00	0.00	0.00	0.00	9,009.97
250,000.00	8,750.00	260.00	1,256.00	600.00	0.00	10,866.00
300,000.00	10,500.00	260.00	1,256.00	600.00	0.00	12,616.00
350,000.00	12,250.00	260.00	1,256.00	600.00	0.00	14,366.00
400,000.00	14,000.00	260.00	1,256.00	600.00	0.00	16,116.00
450,000.00	15,750.00	260.00	1,256.00	800.00	0.00	18,066.00
500,000.00	17,500.00	260.00	1,256.00	800.00	0.00	19,816.00
550,000.00	19,250.00	260.00	1,256.00	800.00	0.00	21,566.00
600,000.00	21,000.00	260.00	1,256.00	1,000.00	0.00	23,516.00
650,000.00	22,750.00	260.00	1,256.00	1,000.00	0.00	25,266.00
700,000.00	24,500.00	260.00	1,256.00	1,200.00	0.00	27,216.00
750,000.00	26,250.00	260.00	1,256.00	1,200.00	0.00	28,966.00
800,000.00	28,000.00	260.00	1,256.00	1,400.00	0.00	30,916.00
850,000.00	29,750.00	260.00	1,256.00	1,400.00	0.00	32,666.00
900,000.00	31,500.00	260.00	1,256.00	1,600.00	0.00	34,616.00
950,000.00	33,250.00	260.00	1,256.00	1,600.00	0.00	36,366.00
1,000,000.00	35,000.00	260.00	1,256.00	1,800.00	0.00	38,316.00
1,100,000.00	38,500.00	260.00	1,256.00	2,000.00	0.00	42,016.00
1,200,000.00	42,000.00	260.00	1,256.00	2,200.00	0.00	45,716.00
1,300,000.00	45,500.00	260.00	1,256.00	2,400.00	0.00	49,416.00
1,400,000.00	49,000.00	260.00	1,256.00	2,600.00	0.00	53,116.00
1,500,000.00	52,500.00	260.00	1,256.00	2,800.00	0.00	56,816.00
1,600,000.00	56,000.00	260.00	1,256.00	3,000.00	0.00	60,516.00
1,700,000.00	59,500.00	260.00	1,256.00	3,200.00	0.00	64,216.00
1,800,000.00	63,000.00	260.00	1,256.00	3,400.00	0.00	67,916.00
1,900,000.00	66,500.00	260.00	1,256.00	3,600.00	0.00	71,616.00
2,000,000.00	70,000.00	260.00	1,256.00	3,800.00	0.00	75,316.00
2,100,000.00	73,500.00	260.00	1,256.00	4,000.00	0.00	79,016.00
2,200,000.00	77,000.00	260.00	1,256.00	4,200.00	0.00	82,716.00
2,300,000.00	80,500.00	260.00	1,256.00	4,400.00	0.00	86,416.00
2,400,000.00	84,000.00	260.00	1,256.00	4,600.00	0.00	90,116.00
2,500,000.00	87,500.00	260.00	1,256.00	4,800.00	0.00	93,816.00
2,600,000.00	91,000.00	260.00	1,256.00	5,000.00	0.00	97,516.00
2,700,000.00	94,500.00	260.00	1,256.00	5,200.00	0.00	101,216.00
2,800,000.00	98,000.00	260.00	1,256.00	5,400.00	0.00	104,916.00
2,900,000.00	101,500.00	260.00	1,256.00	5,600.00	0.00	108,616.00
3,000,000.00	105,000.00	260.00	1,256.00	5,800.00	0.00	112,316.00
3,100,000.00	108,500.00	260.00	1,256.00	6,000.00	0.00	116,016.00
3,200,000.00	112,000.00	260.00	1,256.00	6,200.00	0.00	119,716.00

# ESTATE COSTS

We are not registered for VAT so our fees will exclude VAT.

Estate Duty is illustrative purposes only. The actual amount will be determined by SARS.

Estate Value	Estate Fee @ 3.5%	Posts & Petties	Advertising Costs	Master's Fee	Estate Duty	Total
3,300,000.00	115,500.00	260.00	1,256.00	6,400.00	0.00	123,416.00
3,400,000.00	119,000.00	260.00	1,256.00	6,600.00	0.00	127,116.00
3,500,000.00	122,500.00	260.00	1,256.00	6,800.00	0.00	130,816.00
3,600,000.00	126,000.00	260.00	1,256.00	7,000.00	20,000.00	154,516.00
3,700,000.00	129,500.00	260.00	1,256.00	7,000.00	40,000.00	178,016.00
3,800,000.00	133,000.00	260.00	1,256.00	7,000.00	60,000.00	201,516.00
3,900,000.00	136,500.00	260.00	1,256.00	7,000.00	80,000.00	225,016.00
4,000,000.00	140,000.00	260.00	1,256.00	7,000.00	100,000.00	248,516.00
4,100,000.00	143,500.00	260.00	1,256.00	7,000.00	120,000.00	272,016.00
4,200,000.00	147,000.00	260.00	1,256.00	7,000.00	140,000.00	295,516.00
4,300,000.00	150,500.00	260.00	1,256.00	7,000.00	160,000.00	319,016.00
4,400,000.00	154,000.00	260.00	1,256.00	7,000.00	180,000.00	342,516.00
4,500,000.00	157,500.00	260.00	1,256.00	7,000.00	200,000.00	366,016.00
4,600,000.00	161,000.00	260.00	1,256.00	7,000.00	220,000.00	389,516.00
4,700,000.00	164,500.00	260.00	1,256.00	7,000.00	240,000.00	413,016.00
4,800,000.00	168,000.00	260.00	1,256.00	7,000.00	260,000.00	436,516.00
4,900,000.00	171,500.00	260.00	1,256.00	7,000.00	280,000.00	460,016.00
5,000,000.00	175,000.00	260.00	1,256.00	7,000.00	300,000.00	483,516.00
5,100,000.00	178,500.00	260.00	1,256.00	7,000.00	320,000.00	507,016.00
5,200,000.00	182,000.00	260.00	1,256.00	7,000.00	340,000.00	530,516.00
5,300,000.00	185,500.00	260.00	1,256.00	7,000.00	360,000.00	554,016.00
5,400,000.00	189,000.00	260.00	1,256.00	7,000.00	380,000.00	577,516.00
5,500,000.00	192,500.00	260.00	1,256.00	7,000.00	400,000.00	601,016.00
5,600,000.00	196,000.00	260.00	1,256.00	7,000.00	420,000.00	624,516.00
5,700,000.00	199,500.00	260.00	1,256.00	7,000.00	440,000.00	648,016.00
5,800,000.00	203,000.00	260.00	1,256.00	7,000.00	460,000.00	671,516.00
5,900,000.00	206,500.00	260.00	1,256.00	7,000.00	480,000.00	695,016.00
6,000,000.00	210,000.00	260.00	1,256.00	7,000.00	500,000.00	718,516.00
6,100,000.00	213,500.00	260.00	1,256.00	7,000.00	520,000.00	742,016.00
6,200,000.00	217,000.00	260.00	1,256.00	7,000.00	540,000.00	765,516.00
6,300,000.00	220,500.00	260.00	1,256.00	7,000.00	560,000.00	789,016.00
6,400,000.00	224,000.00	260.00	1,256.00	7,000.00	580,000.00	812,516.00
6,500,000.00	227,500.00	260.00	1,256.00	7,000.00	600,000.00	836,016.00
6,700,000.00	234,500.00	260.00	1,256.00	7,000.00	640,000.00	883,016.00
6,800,000.00	238,000.00	260.00	1,256.00	7,000.00	660,000.00	906,516.00
6,900,000.00	241,500.00	260.00	1,256.00	7,000.00	680,000.00	930,016.00
10,000,000.00	350,000.00	260.00	1,256.00	7,000.00	1,300,000.00	1,658,516.00
20,000,000.00	700,000.00	260.00	1,256.00	7,000.00	3,300,000.00	4,008,516.00
30,100,000.00	1,053,500.00	260.00	1,256.00	7,000.00	5,325,000.00	6,387,016.00