

APPLETON

TIMES



www.appleton.com

0800 50 60 70

clientcare@appleton.com

APPLETON TIMES | AUGUST 2019

SEPTEMBER IS WILLS MONTH!

Firstly, a sincere “thank you” to all our clients for sending such helpful comments and recommendations about our first edition of the Appleton Times. We have listened to you and incorporated your suggestions into this edition. Most of your comments related to points of clarification about Wills and Estates, but in particular, you asked for a clear timeline of the process of administering a late Estate.

Before setting out this process clearly below, in recognition of September as Wills month, we wish to take this opportunity to ask a few key questions and reasons for you to review your Will with Appleton. Remember as you consider reviewing and updating your Will, that we do not charge for our professional Will drafting, or updates and amendments, nor for safe custody and storage.

Questions to consider:

Have your life or family circumstances changed, or are you expecting to make a significant change to your life or family circumstances? If so, please contact us to amend

your Will.

Have you moved house, or are you expecting to scale-up or down in the near future? If so, please contact us to amend your Will.

Has your family expanded (children or Grandchildren) and you wish to make provision for their future? If so, please contact us to amend your Will?

Do you intend emigrating? In which case, please contact us to amend your Will. Appleton has considerable experience in the drafting of international Wills.

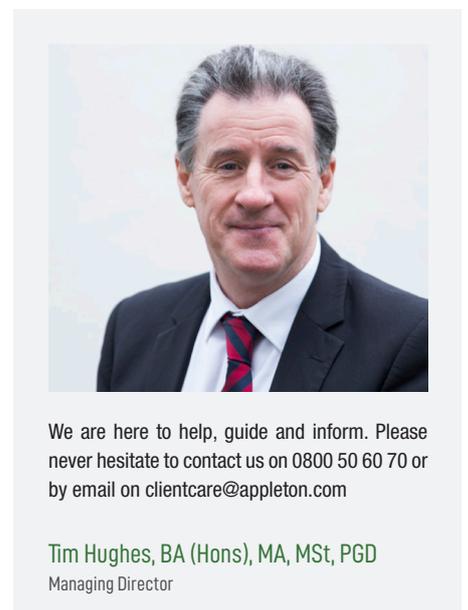
Please also consider your family and friends who are closest to you and ask them whether they have a Will with Appleton and ask if they need us to contact them to professionally draft a Will for them, or indeed to amend and update their Will. Your Will is one of the most important documents you will ever sign.

DID YOU KNOW?

Appleton has a highly select panel of professional experts to handle the, sometimes complex, intricacies of Estate administration, such as tax matters, property transfers, international foreign exchange and trust administration. While Will drafting may seem pro forma and maybe even done on-line, it is our experience that given the importance of a well-crafted Will and the implications of a poorly-drafted Will, there is no substitute for seeking fully-qualified and certified professional assistance to guide you through all the relevant questions and to avoid the pitfalls that can be both expensive and traumatic for your heirs and family. For example, do you have minor children to consider, thus requiring a testamentary trust? Have you accounted for all your insurance policy schedules? Is your

Will completely aligned with your ante-nuptial contract? Have you accounted for deeds of usufruct existing over properties? Appleton’s decades of collective experience is available to our clients to guide them through the most sensitive and most complex of circumstances, all of which adds to the unique professionalism and personalised service we provide.

If you have any query regarding any of the above or related matters as they relate to your Will and Estate, please do not hesitate to contact us on our toll-free number 0800 50 60 70 or email us on clientcare@appleton.com



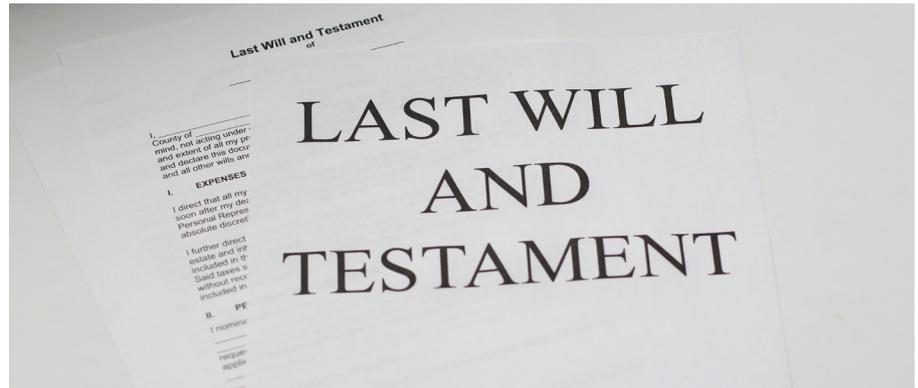
We are here to help, guide and inform. Please never hesitate to contact us on 0800 50 60 70 or by email on clientcare@appleton.com

Tim Hughes, BA (Hons), MA, MSt, PGD
Managing Director

THE ESTATE ADMINISTRATION PROCESS EXPLAINED

AT THE TIME OF DEATH

The next of kin/friend is required to firstly obtain a death certificate and then arrange for the deceased's documents for hand-over to the nominated Executor. Where Appleton is the nominated Executor, once we are notified of the death, we will guide the next of kin or appointed person through the immediate steps to be taken and provide them with a full information pack outlining which documents are required to report the Estate.



ESTATE INTERVIEW

The next step is for the next of kin or nominated person to meet with an Appleton administrator to:

1. Hand over all relevant documentation
2. Advise the details of all beneficiaries
3. Establish all assets and liabilities in the estate
4. Complete necessary documentation required to report the estate

APPLICATION FOR APPOINTMENT AS EXECUTOR

The Master of the High Court (MOHC) must formally appoint the Executor (Appleton) and grant the necessary powers to administer the Estate, by issuing Letters of Executorship (LE) in favour of the Executor (Appleton). The length of time this process takes is dependent on the MOHC. It can take up to eight weeks for the LE to be issued

ADVERTISEMENT FOR CREDITORS

Once the Letter of Executorship is issued to Appleton we:

1. Advertise the Estate in the Government Gazette and the local newspaper
2. Creditors then have 30 days to lodge any claims against the estate

DRAFT THE LIQUIDATION AND DISTRIBUTION ACCOUNT

Appleton then drafts an account of the assets and liabilities of the Estate. Appleton is also responsible for drafting and submitting tax returns for the Estate. The drafted account shows a 'snapshot' of all assets and liabilities, distribution to the beneficiaries as per the Will, as well as income and expenditure incurred after the date of death. The Executor has 6 months from the date the LE is issued to lodge the account with the MOHC

APPLICATION FOR APPOINTMENT AS EXECUTOR

The Master of the High Court (MOHC) must formally appoint the Executor (Appleton) and grant the necessary powers to administer the Estate, by issuing Letters of Executorship (LE) in favour of the Executor (Appleton). The length of time this process takes is dependent on the MOHC. It can take up to eight weeks for the LE to be issued

APPROVAL OF THE LIQUIDATION AND DISTRIBUTION ACCOUNT BY THE MOHC

The Liquidation and Distribution account is then lodged with the MOHC for perusal and approval. Once the MOHC has perused the account, s/he will issue his 'query sheet'. In this query sheet, s/he will grant the Executor permission to advertise the account as lying open for inspection. Note, it can take up to eight weeks for the query sheet to be issued.

ADVERTISEMENT OF LIQUIDATION AND DISTRIBUTION ACCOUNT FOR INSPECTION

After receipt of the query sheet from the MOHC, Appleton then advertises the account in the Government Gazette and local paper. The account then lies open for inspection for 21 days. The account is now a public document and open for inspection by anyone who has an interest in the estate. Any objections against the account are lodged with the Master during this time.

DISTRIBUTION OF THE ESTATE ASSETS

Thereafter, Appleton must obtain the deceased Estate compliance letter from SARS. Appleton as Executors then pay creditors of the Estate. Once creditors have been paid, Appleton then prepares an updated cash statement reflecting any changes in the cash in the estate. Assets are then distributed. Fixed properties are transferred. The inheritance to heirs paid out.

SIGN-OFF BY THE MASTER OF THE HIGH COURT/FILING SLIP

Appleton as the Executor provides the Master's office with proof that all creditors have been paid and all assets distributed in terms of the Last Will and Testament and the L&D Account. The Estate is finalised and the duties of the Executor are discharged. Appleton obtains a formal filing slip from the Master's office in order for our file to be closed and archived.

THIS MONTH THE FIDUCIARY INSTITUTE OF SOUTH AFRICA (FISA) PUBLISHED THE BELOW TABLE FOR THE LENGTH OF TIME IT CAN TAKE FOR THE WINDING UP OF AN ESTATE.

THE ESTATE ADMINISTRATION TIMELINE

Action	Shortest possible time (days)	Time if delays are experienced (days)
From death to reporting the death to the Master of the High Court and handing in the Will	2	21
Waiting for the Master to issue letters of executorship to the Executor	2	90
Placing the advertisement for debtors and creditors	7	14
Advertisement time period	30	44
Time to finalise drafting the account and lodging with the Master	7	60
Waiting for approval from the Master	14	90
Preparing to advertise the account	7	14
Advertisement period	21	28
Distribution of assets	30	180
Final requirements and final cash pay-out to residual heirs	30	180
Total	150	721

THE COSTS OF ESTATE ADMINISTRATION

The Fiduciary Institute of Southern Africa (FISA) www.fisa.net.za has a number of excellent Consumer Education pieces posted on its website. The following is a summary of a piece designed to alert consumers to the costs associated with death.

In addition to the immense emotional cost of the loss of a loved one, together with the possible immediate loss of income to a spouse or partner, the costs of Estate administration need to be borne in mind and planned for. The quantum of administration costs is often determined by the complexity of the Estate, but every Estate above R250,000 in value has certain requirements and formalities that have to be met and thus, certain costs

that are incurred and that have to be borne by the Estate. These include: funeral expenses, Master of the High Court fees, Executor's remuneration (currently, the prescribed tariff is set at 3,5% of the gross value of the assets), costs of a bond of security of approximately 0,5% of the gross value of the Estate, mortgage bond cancellation and conveyancing costs, costs of transferring other assets such as shares and timeshares, maintenance assets within the Estate, tax fees and vehicle registration certificates.

Remember too, that there may be a host of claims against the Estate, including those of SARS, rates and taxes, mortgage bonds, bank overdrafts and other sundry

creditors. This may mean that, while the Estate may be solvent in that its assets exceed its liabilities, there may be insufficient cash to pay the costs associated with the administration of the Estate. This situation creates what is termed a 'cash shortfall' in the Estate that needs to be met by, for example, the heirs contributing cash into the Estate, or by the sale of assets within the estate such as property or motor vehicles. Thus, it is vitally important that you consider the cash requirements of the winding up of your Estate when conducting your Estate planning with your advisor.

WELCOME TO THE NEW APPLETON BUSINESS DEVELOPMENT MANAGER – MARLISA DOMS

Hello to all Appleton clients and intermediaries! My name is Marlisa Doms and I am tremendously excited to be appointed as the Business Development Manager at Appleton Fiduciary Services. I see Appleton as setting the standard in Fiduciary Services in South Africa and look forward to taking us to the top of the league in our niche market.

My professional career spans over 25 years in the Financial Services Industry. I started off at Old Mutual, as a member of the product development and marketing team and managed the Distribution Marketing team that focused on Independent Financial Advisers. Before I joined Appleton, I worked at a Medical Gap and Insurance company. On a personal level, I am a

daughter, sister, wife and mother of three kids. I enjoy socialising with my friends and pride myself on being an attentive listener. Sport has always been part of my life, whether it be actively participating or simply watching rugby, tennis, cricket, etc. Sport brings balance to my life and has taught me how to be a team player. I live life to the fullest, and live by the African Proverb: "If you want to walk fast, walk alone. If you want to walk far, walk together." I believe that everyone wants to leave a legacy and that by ensuring you partner with the right Wills and Executor Service provider, like Appleton Fiduciary Services, you will do just that as your best interests will be taken care of.

Thank you to all of you who have made me feel so



welcome so far and I commit to adding value to my colleagues wherever I can.

I look forward to a long and profitable professional career with Appleton!

Kind regards
Marlisa

APPLETON IN THE COMMUNITY

While Fiduciary Services is a professional, highly-skilled and serious business, we at Appleton never lose sight of the core of our business, you our client. But we are also committed to being a responsible company in our country and the community. Thus, Appleton employees recently pooled together to raise money to purchase equipment and supplies for the Christine Revell Children's Home. The home houses and cares for abandoned, abused, orphaned and neglected children irrespective of race, religion or HIV status. We hope our personal contribution brought some relief and joy to these vulnerable and needy children



UNTIL NOVEMBER

In conclusion, please make the most of September as Wills month. Don't leave things to the last minute and take the opportunity to have your Will drafted by Appleton, or review and have your most important document for your heirs and loved ones updated by our friendly and professional staff.

We look forward to your feedback on the Appleton Times and hope to see some of you at our Wills and Estates seminar at the Kelvin Grove Club on Friday 20 September: RSVP clientcare@appleton.com

CONTACT US

We would like to hear from you and welcome feedback for future editions of the Appleton Times.

Please contact us at clientcare@appleton.com, or call us on 0800 50 60 70 should you have any questions or queries.

