

# Costs paid from the estate funds

## Master's fees payable to the Master of the High Court

- ④ For estates with a value between R250 000 - R400 000 = R600
- ④ Fees escalate as value of the estate increases, to a maximum of R7000

## Administration Charges

Executor's remuneration, of which the maximum tariff is determined from time to time in the regulations to the Administration of Estates Act. The current maximum tariff (excluding VAT) is 3.5% on the gross value of the estate assets, including on the gross value of a community of property estate (excluding life insurance policies and retirement fund benefits payable directly to beneficiaries), and 6% of all incomes (e.g. rentals, interest and dividends) which the executor collects on behalf of the estate from the date of the testator's death to the date of final distribution of the estate.

## Valuation costs of assets which have to be valued for estate purposes

The Master may insist that the assets of the estate be valued by a sworn appraiser, and for that the sworn appraiser is entitled to a fee, which is calculated according to a sliding scale. The appraiser is also entitled to levy travel charges, which are also calculated on a scale determined from time to time. A sworn appraiser is a person appointed by the Master specifically for the valuation of assets in an estate. Amongst other things, the appraiser must have a good knowledge of property values in the area in which he is

appointed. Appraisers are appointed to do valuations of assets in specific areas, and may not do valuations outside the relevant area.

## Advertising costs

The Administration of Estates Act stipulates that, in the case of each estate an executor has been appointed to administer, the executor must place the following advertisements:

- ④ Calling upon creditors to prove their debts against the estate
- ④ Giving notice that the Liquidation and Distribution Account is open for inspection for a given time at a certain venue
- ④ Both the above-mentioned advertisements must appear in one or more local newspapers published in the area where the deceased ordinarily lived, as well as in the Government Gazette. If the deceased lived in another district within 12 months prior to his or her death, the advertisement must also appear in one or more newspapers in that district.

## Costs for the provision of security to the Master in cases where the executor does not qualify for an exemption

In terms of the Administration of Estates Act, only certain executors are exempt from providing security to the Master. If a nominated executor does not qualify for the exemption, the Master will insist that the executor provide the necessary security for the value of the estate, before the executor's appointment is confirmed. The security must be in the form of a Bond of Security, issued by a short-term insurance company. The current annual rate for this amounts to 0,684% on the value of the security (which will be aligned with the gross value of the estate), with a minimum annual premium of R300.



## **Estate bank account bank charges**

Professional executors, who administer large numbers of estates, negotiate a favourable rate with the bank.

## **Transfer costs of fixed property**

Before an estate can be finalised, fixed property forming part of the estate must be transferred into the name of its rightful heir in terms of the Deeds Registries Act. The transfer costs involved are payable from the estate and are calculated according to the value of the fixed property, on a sliding scale.

## **Cancellation costs of bonds registered over fixed property in the estate**

The executor must cancel all bonds registered over fixed property forming part of the estate, after the outstanding balances have been settled in full. The costs involved are payable by the estate and is a fixed amount as established from time to time by the Law Society.

## **Funeral costs**

Funeral and burial or cremation costs form part of the claims against the estate and are payable from the funds of the estate. Should these have been paid already that person may be refunded by the estate.

## Estate Administration Centres

### **Pretoria**

Phone: 012 470 0111

Fax: 012 470 0812

### **Port Elizabeth**

Phone: 041 392 5474

Fax: 041 392 5180

### **Bellville**

Phone: 021 947 6399

Fax: 021 947 6398

### **Durban**

Phone: 031 300 0844

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