



# Your guide to being an executor

# We are extremely grateful for the kind gift your loved one has left to PDSA

**They have made such a wonderful gesture to help us keep people and pets together and we are incredibly thankful for their donation.**

Without the kindness of people who choose to remember PDSA in their Will, we simply wouldn't have been able to treat the 390,000 pets seen in our 48 hospitals throughout the UK in 2022. We receive no government funding for our services and rely entirely on the generosity of our supporters.

The task of administering the estate of a loved one can feel daunting at an already difficult time. To help you in your role as an executor, this guide will provide information and answers

to questions that may arise during the administration of an estate where PDSA has kindly been left a gift.

We hope you will find this guide useful. If we can assist you any further, please get in touch with the Legacy Management Team by email at [legacymanagement@pdsa.org.uk](mailto:legacymanagement@pdsa.org.uk) or call **01952 797 359**. The team are available Monday to Friday 9am until 5pm.

Thank you for all your help in ensuring your loved one's wishes are fulfilled and for supporting our life-saving work of providing veterinary care to sick and injured pets. Their donation will ensure that we can keep even more people and pets together.

**Two out of three pets we treat are funded by a gift left in a Will**



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# The role of an executor

## **Being an executor is a big responsibility, and can be quite daunting to those unfamiliar with this process.**

Being selected as an executor shows that the person who has passed away placed a great deal of trust in you. As an executor, you are responsible for handling the estate of the person who passed away, ensuring all property is distributed according to their wishes. The executor of the estate will:

- Find all of the relevant financial documentation.
- Get valuations to work out the total value of the estate.
- Work out whether inheritance tax is due from the estate and arrange for this to be paid.
- Prepare, if necessary, the appropriate forms for submission to HMRC and the Court.
- Obtain a grant of probate so that you can administer the estate.
- Establish whether there are any claims on the estate.
- Pay any debts owed by the estate.

- Prepare estate accounts and settle income tax and capital gains tax.
- Distribute cash and assets according to the instructions left in the Will. All the costs involved will be paid out of the estate, including your expenses, so you shouldn't be out of pocket. If you have any concerns, do speak to a solicitor.

**Being selected as an executor shows that the person who has passed away placed a great deal of trust in you.**

# Jargon buster

## **Beneficiary**

A person or organisation to whom a gift in a Will has been left to.

## **Bequest/Legacy**

A gift to a person or organisation. There are different types of bequests, for example:

- Pecuniary (a fixed sum of money).
- Residuary (remainder of the estate).
- Specific (items of jewellery and furniture or a property for example).
- Life interest (for example, giving someone the right to live in a property or to benefit from an investment fund for the remainder of their life).
- Interest in remainder (for example, once the person with the life interest passes away, the benefit of the property or investment fund passes to this person/charity).

## **Codicil**

A separate document that makes a change or addition to an existing Will.

## **Conditional legacy**

A gift which someone is only entitled to in a fall-back situation, like the early death of one of the beneficiaries.

## **Grant of probate**

A document issued by the court confirming both the validity of a Will and the executor's right to administer the estate.

## **Liabilities**

The debts that are outstanding when your loved one has died. This could include outstanding credit card payments and utility bills, funeral expenses, and care home fees.

## **Income**

Money that has been received on your loved one's assets since their date of death. For shares, it takes the form of dividends, and on bank and building society accounts, it takes the form of interest.

## **Trust**

A written arrangement where appointed people (trustees) are given assets to hold and manage for the benefit of those named in the Deed or Will which created the trust.

## **Trustee**

Individuals or an organisation named in a Deed or Will who take responsibility for the assets and manage them.

# Where to begin

When PDSA is to receive a share of an estate, we would be very grateful if you could let us have the following information.

## Details of your loved one

Let us know the full name, address, and date of death of the person. Also, if possible, provide any other names they may have been known by and any previous addresses. This information will ensure our records are up to date and will enable us to stop any future correspondence.

## A copy of the Will

A Will becomes a public document once probate is granted. Early access to a full copy helps us to understand their last wishes and ensures we can honour any special requests.

## A list of assets and liabilities

Understanding as much as possible about your loved one's gift and their estate helps us to make sure we contact you at appropriate times. Please provide us with a list of any possessions and debts that they had which will form the value of their estate. The list doesn't need to be in a particular format, you can just send us a copy of the Inheritance Tax Forms – IHT205 or IHT400 and schedules which you have sent to the Probate Registry or HMRC.

## Lead charity

If there are several charities named in the Will, it may make it easier for you to contact and update one charity beneficiary, such as PDSA. We can then contact all the other charities on your behalf throughout the estate administration.



# Tax information

**As a registered charity, PDSA benefits from valuable tax exemptions. These exemptions increase the value of the generous gifts left to us as we can reclaim the tax paid on our share of residuary gifts.**

## Income Tax

Unless PDSA's share of any income tax is minimal, please complete Form R185 (Estate Income), which you can get from HMRC's website or by phoning **0300 200 3300**. The form should contain PDSA's share of the income received after the date of death. This can include interest from rental income and bank accounts.

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You can ask banks and building societies to provide certificates showing the tax paid.

## Inheritance Tax

Without an instruction to the contrary in the Will, any Inheritance Tax payable from the residue is deducted exclusively from the shares passing to non-exempt beneficiaries i.e. people, not charities.

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Guidance on the impact of this for tax calculation purposes can be found on HMRC's website.



## Capital Gains Tax (CGT)

Capital Gains Tax arises when an asset, such as property or shares, increases in value from the date of death to the date of sale. For PDSA to be exempt from paying CGT, we need to give you, as executor, consent to appropriate (transfer) the beneficial ownership to us before the sale takes place. You can contact us by email at **legacymanagement@pdsa.org.uk** or call **01952 797 359** for a template memorandum of appropriation.

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Tax issues in the administration of estates can be complicated. For help and advice about an estate, you can contact **HMRC Trusts and Estates** on their helpline **0300 123 1072** or you may wish to seek independent legal advice.

# Property information

**We will support the sale of property as we know that an unsold property can be a great worry and involves additional maintenance responsibilities.**

Below are some tips and pointers which we hope will help you when you come to sell the property.

- Keep the property insured. If necessary, notify the insurers that it is unoccupied and comply with any policy conditions.
- Try to obtain two or three independent valuations from estate agents and ask the agent to assess the property's potential for development as this may influence the sale price. If substantial development is identified, it may be helpful to contact a planning consultant.
- Keep the property on the open market for at least four weeks. This is the only way to assess a property's real value. If no offers are received in this period, please speak to the estate agent to seek appropriate next steps.
- Once an estate agent is instructed, let us know their contact details so we can monitor the progress of the sale of the property without troubling you unnecessarily.

- When a sale is agreed upon, request written confirmation from the estate agent that the best price has been achieved and if the offer should be accepted.
- If the property is sold at a price above the value given at the time of our supporter's date of death, you may need to consider Capital Gains Tax (CGT). Please refer to page 9 for further information.
- If Capital Gains Tax is applicable, a report called an S119 report (S119 Charities Act 2011) will be required before the exchange of contracts takes place. If you require further information or contact details of a surveyor who can carry out the report, do not hesitate to contact us.

# Stocks and shares

If the estate includes stocks and shares, please arrange to sell PDSA's proportion of the investments as soon as possible after probate is granted.

We do not manage a portfolio of our own so prefer not to have any holdings transferred into PDSA's name.

If the stocks and shares are going to sell for more than the value the person's date of death, then Capital Gains Tax (CGT) may be payable. If this is the case, the investments will need to be appropriated. Please refer to page 9 for more information on CGT and the next steps.



## Claims against an estate

When a claim has been made against an estate, it's appropriate for executors to adopt a neutral stance, leaving the person making the claim and the residuary beneficiaries to resolve any dispute amongst themselves.

**Please notify PDSA as soon as you are aware of a potential claim.**



## Interim payments

The administration of an estate may take some time to complete. If possible, we would be grateful for regular payments once probate has been granted. We can then ensure this very kind gift helps people struggling through economic and social hardship to get veterinary treatment for their sick and injured pets.

Please put all money you receive into an interest-bearing account until it's distributed to the beneficiaries.

### Payments and receipts

It would be really helpful if you could make any payments by direct bank transfer. If you are paying a large amount of money and you would like the peace of mind, we are happy to accept a same-day payment.

Our bank details:

**Bank:** Lloyds Bank      **Sort code:** 30-18-55  
**Branch:** Birmingham      **Account number:** 02383859

Please quote our reference number, which can be found at the top left-hand corner of our letters or alternatively quote the surname and initials of your loved one when

making payment. This helps us to allocate your payment as quickly as possible. Unfortunately, we are unable to accept payments by credit card over the phone but payments can be made online at [pdsa.org.uk/legacy-payment](https://pdsa.org.uk/legacy-payment)

### Estate accounts

Residuary beneficiaries should receive a copy of the estate accounts which set out the story of the administration. As a charity, we are audited regularly and the estate accounts are checked by our auditors.

There is no set form for estate accounts but it would be helpful if you could draft something that sets out the assets, liabilities, income, and expenses. Take a look at our jargon buster at the beginning of this guide for more information on assets and liabilities or contact us for an estate accounts template.

If income is recorded separately from the capital in the estate accounts, it helps us reclaim the income tax paid after death from HMRC. This includes any income deducted at source.

# Frequently asked questions

To help you, we have set out some frequently asked questions:

**Your loved one's gift will help keep people and pets together and let their love for pets live on.**

## Can friends or family members select items from the person's belongings?

Yes, sentimental items can be distributed to family and friends.

## Can the estate fund the cost of a memorial headstone or the addition of an inscription to an existing memorial?

We are happy for the cost of a memorial to be deducted from the estate.

## The executor wants to make a gift that wasn't in the Will. Can PDSA give consent?

Charities don't have the same freedom and discretion as private individuals about approving such gifts. Guidance on when such gifts can be referred by PDSA to the Charity Commission for approval can be found in publication CC7 on the Charity Commission's website.

## Can the property be sold to a relative/family friend so as to avoid estate agent's fees?

We would prefer a period of open marketing. It's hard for executors to show that the best price has been achieved for the estate if the property hasn't been on the open market. The open market is the only true test of a property's value. Executors can be personally liable for a sale at undervalue and should protect themselves accordingly.

## Can the executors renovate the property to improve its value?

If this is the estate agent's recommendation, we would agree to the work being carried out.

# Passionate animal-lover Jean...

**has been a friend to pets in need for many years and has owned cats and dogs all her life.**

And it's that love for pets that prompted Jean to leave a gift to PDSA in her Will. "Jean said: I feel it is so unfair that people who can't afford private vets fees should miss out on the unconditional love that a pet brings to a person's life."

After a visit to her local Pet Hospital, Jean was so impressed by what she saw. Not only did it reaffirm the decision to leave a legacy to support our work. Jean also ended up volunteering there for a while!



**"Including PDSA in my Will was definitely the right decision. I know that my gift will allow others to enjoy their love of pets, just like I have during my lifetime."**

Jean Horton, PDSA Legacy Supporter

It would be lovely to hear the reasons why your loved one decided to leave a special gift to PDSA in their Will. If this is something you would be happy to share with us, please get in touch.

## Further contact from us

Gifts in Wills, like the one you are helping to administer, help us keep people and pets together. If you would like to be kept up to date on PDSA's work and see the difference your loved one's gift is making to people and pets in need, please do let us know, we'd be delighted to stay in touch.

Telephone:  
**01952 797 359**

Email:  
**legacymanagement@  
pdsa.org.uk**

# Thank you

We are extremely grateful for the kind gift your loved one has left to PDSA. They have made such a wonderful gesture to help keep people and pets together.

Thank you again for all your help, and please do get in touch if you have any questions on **01952 797 359**.

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**We receive no government funding for our veterinary services and rely entirely on public support.**

**It's because of you and your loved one that we can continue to treat the sick and injured pets that need us.**

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\*Numbers accurate as of 2022.