



THE FIDUCIARY INSTITUTE OF SOUTHERN AFRICA



ESTATE PLANNING TRUSTS WILLS ESTATES BENEFICIARY FUNDS

## How long does it take to wind up an estate?

The answer to this question is as difficult as the answer to “how long is a piece of string?” But as a rough guide one could say a deceased estate can take anything from five months (which is the absolute minimum and almost impossible), to several years to finalise.

The time required depends largely on the size and structure of the deceased person's assets and liabilities.

In the case of an estate with assets worth less than R250,000, the process is fairly simple and an executor is not appointed, but a person - usually a family member - is authorised by the Master of the High Court to pay and collect debts and distribute the assets of the deceased to the heirs, which are often the spouse and children of the deceased.

This document deals with estates valued at more than R250,000, in which case an executor needs to be appointed. This person will:

- apply for letters of executorship to be issued to him/her by the Master of the High Court; and
- when this is issued, take control of all assets of the deceased;
- close the deceased's bank accounts;
- advertise for debtors and creditors;
- pay creditors;
- draft a liquidation and distribution (L&D) account; and
- distribute the deceased's assets in accordance with the provisions of the will and as set out in the L&D account.

The executor cannot start the administration process before receipt of the letters of executorship.

The time taken to wind up an estate will be influenced by the service levels the executor experiences when dealing with various institutions such as the office of the Master of the High Court, SARS,

financial institutions and the deceased's employer.

The Administration of Estates Act, 1965, also prescribes certain processes which carry compulsory time periods. The two main ones are:

- the advertisement period for debtors and creditors
- the inspection period during which the L&D account must be available for inspection at the relevant Master's Office.

In the first case the advertisement advising debtors and creditors of the deceased to pay their debts and lodge their claims must appear in both the Government Gazette and a local newspaper in the area where the deceased lived. The advertisement must state that the debtors and creditors have 30 days from the date of the last of these advertisements in which to take action. Before this time period expires, the executor cannot finalise the L&D account.

The L&D account must then be lodged with the Master, be examined by the Master and, as soon as all requirements of the Master have been complied with, another advertisement must be placed in the Government Gazette and a local newspaper advising all interested parties that the account is available for inspection at the Master's office for a period of 21 days.

Sometimes, due to a complex asset structure or tax issues, more than one L&D account dealing with different assets will have to be drawn before the estate can be finalised.

The table below reflects rough guideline time lapses that cannot be avoided. The column reflecting the time if delays are experienced does not reflect a maximum time lapse. In certain cases it may take even longer than this to finalise the estate if there is insufficient cash, problems with the transfer of property, etc.

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	120
Placing the advertisement for debtors and creditors	7	21
Advertisement time period	30	81
Time to finalise drafting the account and lodging with the Master	7	90
Waiting for approval from the Master	14	120
Preparing to advertise the account	7	21
Advertisement period	21	49
Distribution of assets	30	180
Final requirements and final cash pay-out to residual heirs	30	180
<b>TOTAL</b>	<b>150</b>	<b>862</b>