

What is Required of an Executor During the Estate Administration Process?

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Estate Administration

- **Introduction**
- **Pieces to the Puzzle**
 - Probate Estate
 - Non-Probate Assets
 - Pennsylvania Inheritance Tax
 - Federal Estate Tax
 - Final Lifetime Income Tax Returns
 - Fiduciary Income Tax Returns for Estate



Estate Administration

- **Probate Estate (Controlled by Will)**
 - Petition for Letters Testamentary
 - **Original Death Certificate**
 - **Original Will**
 - **Estimate value of probate estate**
 - **Probate fee**
 - Probate Submission
 - Short Certificates



Estate Administration

- **Probate Estate (Controlled by Will)**
 - Obtain Employer Identification Number from IRS (Form SS-4) For Estate
 - Advertise Estate Notices
 - **Lancaster Newspapers**
 - **Lancaster Law Review**
 - Notice to Department of Human Services
 - 5.6 Notices required by Supreme Court of Pennsylvania Orphans' Court Rules – within 3 months of grant of letters



Estate Administration

- **Probate Estate (Controlled by Will)**
 - Open Estate Account for estate administration matters
 - Confirmations of date of death values of accounts
 - **All financial accounts**
 - Investments – set up in basis in securities (confirm date of death values)
 - Personal Property



Estate Administration

- **Probate Estate (Controlled by Will)**
 - Funeral bill, funeral meal, flowers, etc.
 - Medical bills
 - Administration expenses and fees
 - **Executor fee**
 - **Attorney fee**
 - **Accountant fee**
 - **Probate fees, advertising expenses, etc.**



Estate Administration

- **Probate Estate (Controlled by Will)**
 - First and Final Account of Executor to disclose all estate administration activity
 - **Record keeping**
 - **Receipt and Release vs. Court Adjudication**
 - **Time frame**



Estate Administration

- **Non-probate Assets (not controlled by Will)**
 - Life Insurance
 - Retirement Accounts
 - Annuities
 - Joint Accounts
 - TOD Accounts
 - **ID beneficiaries**
 - **Date of death value needed**



Estate Administration

- **Pennsylvania Inheritance Tax Return**
 - Due Date – 9 months from date of death
 - 5% discount – within 3 months from date of death
 - Life insurance not taxable
 - Gifts in excess of \$3,000 per person within one year of death are taxable
 - Appraisement to approve Pennsylvania Inheritance Tax Return (approximately 4-6 months from the date the return is filed)



Estate Administration

- **Federal Estate Tax Return**
 - Exclusion amount is \$11,700,000 in 2021
 - Gift Tax Returns
 - Tax Rate is 40%



Estate Administration

- **Final Lifetime Income Tax Returns for 2021**
 - Federal Return
 - Pennsylvania
- **Fiduciary Income Tax Returns for the Estate**
 - Initial year commences as of date of death and a fiscal year can be chosen
 - Returns must be filed until the administration of the Estate is concluded





Questions?

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Andrew Rusniak is an estate planning attorney with McNees Wallace & Nurick LLC practicing out of the firm's Lancaster and Harrisburg offices. He represents individuals, families, business owners, executives and professionals in all aspects of tax and estate planning, business succession planning, asset protection planning, charitable planning and estate and trust administration. Andrew's practice involves advising closely-held businesses and high net worth individuals with regard to estate, gift and generation-skipping transfer taxes, as well as the preparation of basic estate plan documents for young couples with minor children. Andrew is a graduate of George Mason University (B.A.), the Dickinson School of Law (J.D.), and the Georgetown University Law Center (LL.M., Taxation, Certificate in Estate Planning).

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