



legally speaking

What Does An Executor Do?

By Patricia C. Marcin, Esq. ©2016

An Executor (technically, Executrix if a woman) is the person you appoint to carry out your wishes as expressed in your Will. The Executor's job lasts a relatively short period of time, typically two to three years, ending with the final distribution of the estate's assets to the beneficiaries.

The first thing the Executor does is submit the Will to the Court for probate. Once the Court declares the Will valid (i.e., admits the Will to "probate"), the Executor is appointed and receives what are called "letters testamentary" in New York, evidencing this appointment. At this point, the Executor's job really begins.

The Executor's first step is to identify and collect the decedent's assets. This includes transferring, and perhaps consolidating, bank and brokerage accounts into the estate and taking action to protect the decedent's assets (ex., changing locks on doors, monitoring the decedent's investments).

Once the decedent's assets are fully known and collected, the Executor must determine the decedent's debts and creditors, and should estimate the expenses that will arise during the administration of the estate (ex., appraisal fees, estate taxes, Executor's

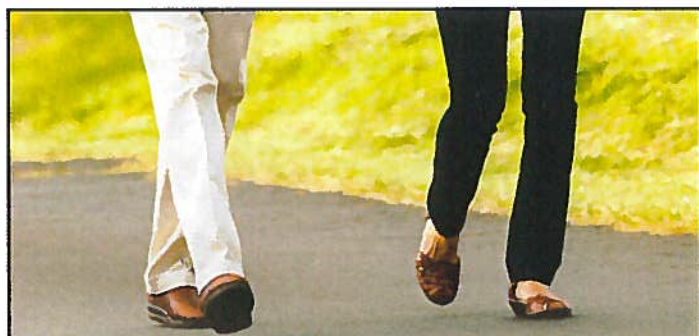
commissions, legal fees, accounting fees). By doing this, the Executor can determine the "cash requirements" of the estate and sell estate assets to satisfy the estate's cash requirements. It is important that the Executor attend to this as quickly as possible, as he/she does not want to jeopardize being able to cover the cash requirements because of market risks.

The Executor may have many duties during the continuance of the estate, depending on the size of the estate and complexity of the assets in an estate. For example, if the decedent owned a business, the Executor is responsible for dealing with that business, whether that means selling the business or providing for its continuation. For people dying between April 1, 2016 and March 31, 2017, if the estate is over \$4,187,500, the Executor will have to file estate tax return(s), which are due nine months from the date of death. The Executor may pay some bequests, partially or in full, prior to the estate's termination. Once the taxing authorities "sign off" on the estate tax return(s), the Executor can inform the beneficiaries of all that has gone on in the estate, have the beneficiaries approve of all that was done, distribute the remaining assets to the beneficiaries and close the estate.

There are many duties to fulfill as Executor, depending on the particular estate. The Executor may also receive a fee, called a "commission", which is set by law, and which is often well deserved. There is assistance for the Executor from start to finish, as the estate's lawyer will play a large role in helping the Executor navigate his/her duties.

If there is a trusts or estates topic that you would like to know more about, please feel free to email me at pmarcin@farrellfritz.com with your suggestion and I will do my best to cover it in a future column.

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"I'm so glad we updated our wills. Farrell Fritz helped us understand all the recent changes and the best part is, we minimized our estate taxes. I feel so much more secure about our family's future."



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