



WHAT TO DO: WHEN A LOVED ONE HAS PASSED (WITH A WILL)

Understanding and Navigating Estate Administration in New Jersey

For further explanations and an in-depth look at the information highlighted here, visit:
www.clime.rutgers.edu/publications-filtered/tag/What+to+Do

OVERVIEW OF STEPS

1. Secure Will and Trust documents and conduct a preliminary assessment of the decedent's remaining property (estate).
2. Probate the Will with the Surrogate in the county where the decedent resided at the time of their death. (Probate can occur 10 days after your loved one has passed.) Consult the Surrogate for their specific procedures. Typically you need a death certificate, the original Will, a list of next of kin, valid ID and applicable fees.
3. After properly qualifying, the appointed Executor(ix) must manage the assets, debts, taxes, and distributions related to the Estate as efficiently as possible consistent with the best interests of the Estate (More details below.)
4. Close the Estate.

MANAGING THE ESTATE

1. **Locate, protect, and appraise assets:** You may locate your loved one's assets by reviewing personal records, contacting financial institutions, and former employers. Also consider searching safe deposit boxes, real estate records and unclaimed property databases. To protect the assets you have found, notify insurance holders, banks and other relevant parties about your loved one's passing, change locks and passwords where appropriate, and notify credit reporting agencies to prevent identity theft. To appraise assets seek an appraiser that specializes in the type of property that needs to be appraised.
2. **Applying for an EIN:** A federal tax identification number (EIN) is required to open an estate account and may be necessary for other estate transactions. Applying for an EIN is free on the IRS site.
3. **Establish Estate Account:** Chose a bank familiar with estate matters and keep organized records of all transactions.
4. **Liquidate assets:** Consult the Will for how to handle assets. If the sale of real estate is necessary, work with an experienced realtor.
5. **Address expenses and debts of the decedent with liquid assets:** If the estate assets will be insufficient to pay all claims in full, consult New Jersey's statutes at 3B:22-2 for the order of priority of claims.
6. **Address Taxes:** Determine the taxes that apply to the estate. Possible federal taxes include personal income and estate taxes. Possible New Jersey taxes include personal income and inheritance tax. (New Jersey does not have an Estate or Gift Tax). Other taxes that may apply are estate income and generation-skipping transfer tax.

CLOSING THE ESTATE

- **Commissions.** Executors can receive commission for undertaking the management of an estate. See N.J.S.A. 3B: 18-13; 3B: 18-13 for allowable commissions.
- **Reimbursement.** You can be reimbursed from the estate for reasonable and verifiable out-of-pocket costs for the estate.
- **Accounting.** Prepare an accounting detailing all of the assets, income and expenses of the estate (including commissions and distributions). This should be provided to beneficiaries for review.
- **Obligations and Distributions.** Make distributions according to the Will. A beneficiary's child support obligations may need to be satisfied prior to distribution.

TIPS FOR SUCCESS

- Remember you are not personally liable for the debts of the decedent.
- The Surrogate can provide assistance with procedures and proper forms to complete.
- Consult an accountant or estate attorney for any tax questions as tax liabilities and deadlines are critical.
- Negotiate debts of the estate to minimize loss.
- Obtain Release and Refunding Bonds from all Beneficiaries receiving a distribution.

LOCAL SURROGATES

Essex County (973) 621-4901
Union County (908) 527-4280
Hudson County (201) 795-6378
Passaic County (973)-881-4760

Visit our website for a complete list of New Jersey Surrogates with additional contact information.