Footprint

perpetual guardian

Important Information

Probate & Estate Planning Cost and Service Guide

Though every estate and family situation is different which ultimately impacts the duties and length of time needed, there are three core components to finalising (known as settling) an estate. The first is the process of applying for probate and creating an estate management plan, second is the act of administering the estate and third is the process of settling the estate.

Due to Footprints relationship with Perpetual Guardian, we have secured special executorship rates which are outlined in the following page. As an extra bonus, all Footprint customers that are subscribed to the Will It or My Financial Footprint packages have the opportunity to join Footprints unique rewards program which reduces the cost of estate administration by $100 every year. You can learn more about the Footprint Rewards program at myfootprint.co.nz/footprint-rewards. Terms and conditions apply.

Executor support

The executor support service provides your executor access to immediate professional support from Perpetual Guardian should they need it. If they decide to utilise these services, your executor will be able to have a consultation with Perpetual Guardian to discuss the tasks they would like help with where they will then receive a full estimate of the cost. Costs depend on each particular circumstance such as the size and complexity of the estate and the task requested. (Full list of tasks available included in the below table. Settlements are excluded in the executor support services).

Probate & Estate Plan	Estate Administration
Initial meetings with family Create estate management plan Applying for probate Advice regarding administration Advice on legislation Will retrieval and review Will validation and reading Final reporting Final communications Arranging storage of all records	Confirming and collecting assets, and paying expenses Organising the sale or transfer of property Helping with funeral arrangements Preparing property for sale, arranging security or maintenance Ongoing communication with relevant family members Arranging payment of gifts and distributions from the estate Helping to resolve disagreements between beneficiaries Managing legal issues Finding missing beneficiaries Settling liabilities Settling final tax requirements
During this process Perpetual Guardian will work with relevant family members to establish the manner in which the estate will be administered and discuss what should be expected through the administration process. This includes a final review and preparation of the statement of the account.	Time and cost charges cover normal administration and accounting responsibilities. Further charges may be made for additional work done, complexity or services rendered that require senior members of staff and/or specialist expertise, as well as tasks that require urgency or any matters of an unusual or special nature. *Complex estates may require additional activities and charges learn more here*
Fixed $2,750 + GST	Time, costs & disbursements, on average between $260 - $515 per hour

Disbursements

Perpetual Guardian will charge your estate an amount for office services provided by them acting on your behalf. This covers costs such as phone calls, postage, photocopying and motor vehicle costs. Plus disbursements (at cost) for items such as:

- Any out of area travel incurred on behalf of a client
- Valuer or court filing fees; or
- Bank charges relating to specific client transactions

What can you expect to pay?

Because of the varying nature of each family's situation, attempting to estimate a final estate fee can be extremely challenging. However, as 78% of Kiwi's think that estate administration costs would be $1000 or less, we think it's important that we try to give you a bit more of an idea on the likely reality.

Based on industry insights we suggest that the average estate administration fee, which is heavily influenced by the complexity of the estate and family situation, sits around $10,000 + GST.



How you can reduce costs

There are a lot of factors that can influence the time that goes into administering an estate. Here are some tips that can make a big difference to the overall time and cost.

- Gifts of significance: In your Will you have the opportunity to leave any gifts of significance, these are usually high value or high sentiment items. The more gifts you have listed in this area, the more time it will take to administer, which in turn, increases the costs. If you have a long list of other minor gifts that you want to leave to specific people, you may want to consider listing those items and who should receive them in a separate document placed (not stapled) with your Will. This won't be legally binding but it does act as a record of your wishes which your advisory trustee could distribute.

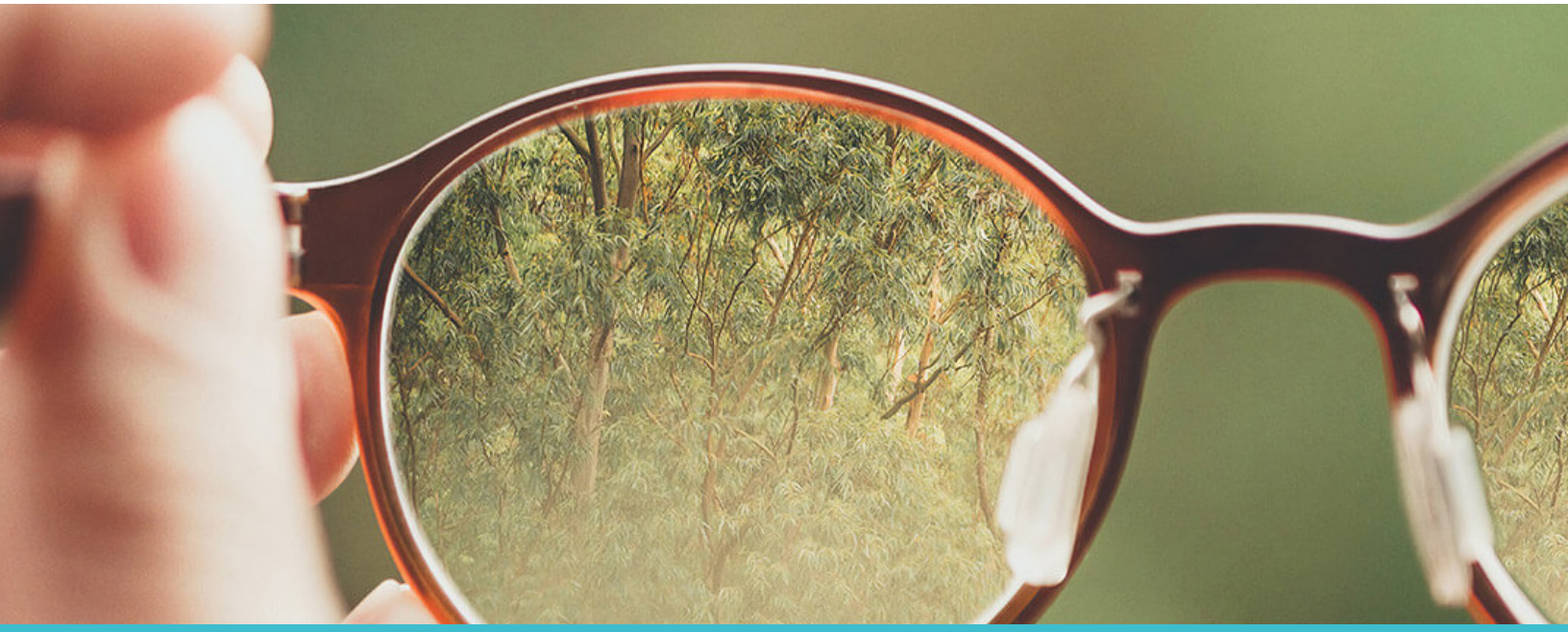
- Make sure you always have the most up to date contact information for all your beneficiaries and backup beneficiaries so they can easily be reached. It is not uncommon for time to really add up having to search for beneficiaries.

- Keep all your important documents, insurance policies, ownership papers, receipts, etc. in an easily accessible place. The Footprint Will It package comes with a digital vault that is designed specifically for this purpose.

- A lot of time can be saved by ensuring your executor knows you have a Will, when it was last updated and where it is stored. The Will It package has a Will notification function that allows you to send a notification to whomever you please advising them that you have done your Will. You can also store the original signed and witnessed hard copy of your Will with Footprint at no extra cost.

- Discuss your Will with your beneficiaries and explain what you have done and the reason behind it. Though there are no guarantees, this could reduce the likelihood of time consuming conflicts and/or arguments.

- Your estate consists of assets that are held in your sole name only. If you have any assets that should be owned jointly but you haven't gotten around to it, you may want to adjust the ownership so that after you pass away those assets can be transferred easily to the other person.



Personal and professional executors understanding the costs

The role of the executor is extremely important and comes with a significant amount of responsibility. Many people don't realise that executors are legally, personally and financially liable for the work they do. Should they make a mistake negatively impacting beneficiaries, whether they are a personal or professional executor, they could have to pay out of their own pocket to cover the costs.

Selecting an executor is a personal decision that can be impacted by many factors. One common factor is the cost. The perception can often be that a personal family member or friend will be much cheaper. Though it is likely a personal executor may not charge for their time, it's estimated that 95% of personal executors end up engaging a professional to help them navigate the probate and estate administration process. Therefore, the savings might not be as great as what was assumed and the administration costs and associated liabilities may still apply.

Professional executors:

1. Will be insured for legal liability
2. Will charge for their time and costs
3. Are experienced and therefore know how to navigate the legal and financial requirements quickly
4. Usually have all resources including specialists in one place for easy access
5. They are unbiased and not grieving while working through the process
6. Are experienced in supporting grieving and or disputing family members

Our recommendation

If you do appoint a professional such as Perpetual Guardian, we recommend you also appoint an advisory trustee in your Will. This could be a personal friend or family member who would work alongside your executor in an advisory capacity but would hold no legal obligation or financial liability.