CAFOD
A better world needs all of us

Your guide to being an executor









Thank you for taking on the role of executor. We know this must be a difficult time for you and we appreciate your hard work.

Acting as executor is a demanding but rewarding process. We hope you will find this guide useful along the way.

We are glad to help, so do remember you can contact us with any questions or concerns you have.

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Shukla lives with her son in Bangladesh. She joined a local project supported by gifts in Wills to CAFOD to learn about sustainable farming. Now she is sharing her knowledge and inspiring others.

Getting started

This guide gives an overview of practical things you may need to consider when dealing with an estate. An explanation of technical terms can be found on page 15.

If you are executor to someone who has left a gift to CAFOD in their Will, please let us know as soon as possible. Dealing with an estate can be a long process and we can offer assistance along the way.

Like you, we want to ensure that your loved one's wishes are fulfilled and their gift will be used as they intended. If there is reason to think that there may be a complication with the administration, for example the sale of property or family requests, please let us know. We may get in touch to see if we can be of any assistance in helping matters progress.

Legacies build a better world for our global neighbours. Your loved one's gift can bring food and safe water. Education and opportunity. Dignity, freedom and hope.

Gifts in Wills support our neighbours around the world, creating a lasting impact in the communities we stand alongside. Together, we're building a future where everyone can thrive.

We are honoured that your loved one has remembered CAFOD's work in this very special way. We will include them in our book of remembrance and pray for them at our November memorial Mass.

Thank you for making their gift possible.

CAFOD is the official aid agency of the Catholic Church in England and Wales and part of Caritas Internationalis. CAFOD brings people together for a better world. The world God intended: where no one has their life limited by injustice or poverty. We are a registered charity (number 1160384). To find out more, go to: **cafod.org.uk**

Checklist for an executor

- [ ] **1. Locate a copy of the Will**
  Many people keep a copy in a safe place at home or with their solicitors. You may also want to check the Will for any requests regarding the funeral.

- [ ] **2. Register the death and secure the property if necessary**
  You may need to change locks, remove valuables or redirect mail. Also remember that the house needs to have appropriate insurance. If there are pets, make sure they are looked after.

- [ ] **3. Decide if specialist help is needed**
  Many people choose to enlist the help of a probate expert such as a solicitor or bank's probate team.

- [ ] **4. Work out the value of the estate**
  Work out everything the deceased owned at the date of death minus everything they owed. You'll need to gather accurate valuations of all assets and outstanding debts. This information is necessary for applying for grant of probate.

- [ ] **5. Work out if inheritance tax is due**
  Inheritance tax (IHT) is due on estates over a certain amount. It is an executor's responsibility to pay IHT in the first instance and then claim it back from the estate. You'll find more information about tax matters on page 10. Visit www.gov.uk/inheritance-tax for further details and a handy IHT calculator.

- [ ] **6. Apply for grant of probate**
  Also known as "proving the Will". This gives you authority as executor to access the deceased's accounts and legally deal with their estate. Visit www.gov.uk/when-someone-dies for an application form and details of this process.

- [ ] **7. Open an executor account**
  Opening an official executor bank account is helpful for receiving and paying money from the estate and keeping things clearly separate from your own affairs. Speak to your bank about how to go about this.

- [ ] **8. Collect in or sell the assets**
  This might include household belongings, bank accounts, property or stocks and shares. See page 13 for more information on dealing with property and shares.

- [ ] **9. Pay any debts or expenses**
  Now you have access to the deceased's accounts, you can pay debts and expenses from there.

- [ ] **10. Distribute specific items and pay cash gifts named in the Will**
  See page 6 for more details.

- [ ] **11. Prepare estate accounts to be shared with all residuary beneficiaries**
  See page 8 for more details.

- [ ] **12. Pay residuary gifts (percentage shares of the estate)**
  See page 7 for more details.

Different kinds of gift

Gifts in Wills usually take the form of a cash amount, a share of the estate or a specific item. Each of these gifts must be handled in a different way.

A cash sum

For example, "I leave £1,000 to CAFOD".

Where a cash gift (also known as a pecuniary legacy) is mentioned in a Will, please enclose a copy of the part of the Will that names this gift when contacting us.

A specific item

For example, "I leave my grand piano to CAFOD".

Where a specific item is mentioned, please enclose a copy of the part of the Will that names this gift when contacting us. We will discuss with you about how best to transfer the item to us.

A share of the estate

For example, "I leave a third of my estate to CAFOD".

A share of the estate (also known as a residuary legacy) refers to a proportion of whatever is left of the estate after debts, tax, specific and cash gifts and administration costs have been paid.

When a supporter leaves a share of their estate to charity, we are required by the Charity Commission to request the following documents:

- A photocopy of the Will
- A breakdown of assets and liabilities
- Valuations of significant assets such as property
- Estate accounts (see page 8 for more details)
- Tax deduction certificates if applicable (see page 12 for more details)

Paying a cash gift

When you are ready to pay a cash amount that is left to CAFOD in a Will, please send us:

- A covering letter or email including the deceased's name and most recent address
- A copy of the part of the Will that mentions the gift
- A cheque for the correct amount made payable to "CAFOD" or a BACS transfer, please see details in the box on the next page.



Stephan and Maria had to flee their home with their family because of the war in Ukraine, CAFOD's local partner helped the family to stay warm during extreme cold.

Paying a share of an estate

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If you are dealing with an estate which includes a share to CAFOD, it's best to get in touch with us as soon as you can. Dealing with an estate can be a long process and we can offer assistance along the way.

Once you have grant of probate, it would be helpful if you could send us a covering letter or email giving the name and address of the deceased, along with a copy of the complete Will and an overview of assets and liabilities.

Please update us once you have valuations for any property or shares involved in the estate. For more information about dealing with property see page 13.

As you get to the end of dealing with the estate, please send us a copy of the estate accounts, which detail all financial transactions during the administration.

Once all residuary beneficiaries have approved the estate accounts, please send us final payment of the gift.

Please send this to our head office:

CAFOD Legacy Team
Romero House
55 Westminster Bridge Road
London
SE1 7JB

Or email: **legacy@cafod.org.uk**

To make a payment by BACS transfer, CAFOD's account details are:

Account name: CAFOD
Sort code: 16-00-30
Account number: 11769410
Branch: Royal Bank of Scotland, 28 Cavendish Square, London, W1M 0DB

To make a payment by cheque, make payable to "CAFOD" and send to our head office address.

Please use a reference including the deceased's name and "Legacy" so we can be sure it is a legacy gift rather than an anonymous donation. We can then say thank you and give proper receipt for your executor records.

Estate accounts

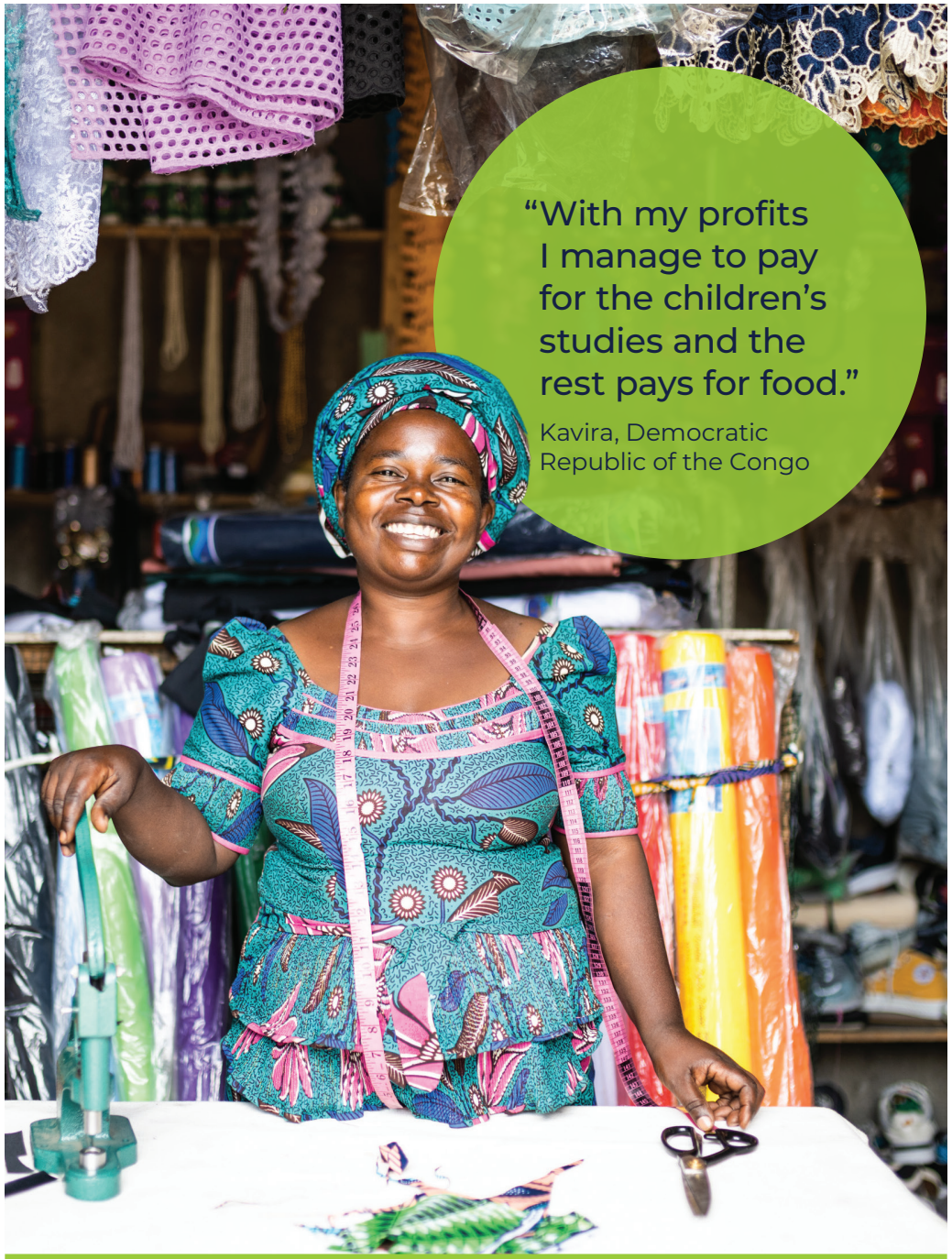
Once you are coming to the end of dealing with the estate, it is your responsibility as executor to provide a copy of estate accounts to all individuals and charities who are receiving a residuary legacy.

Charities request this information to ensure that there are no outstanding matters that could pose a risk to the charity or their trustees in the future. The accounts should be sent to all residuary beneficiaries for approval before the final payments are made.

Estate accounts don't have to be too complicated, but they should include:

- Assets and liabilities at the date of death
- An expenditure account, including any inheritance tax, administration expenses and pecuniary gifts
- An income account, giving details of any interest, dividends, rent etc paid since the date of death
- A distribution account, showing how the estate has passed to the beneficiaries

If you need any help with this, we can talk you through the process and provide you with a template.



Kavira has worked with CAFOD's local partner, who is funded by donations and gifts in Wills, and increased the income she makes from her business.

Tax matters

As executor, it's your responsibility to finalise the deceased's outstanding tax affairs, any inheritance tax or other tax issues arising during the administration.

There are certain tax concessions which apply when a charity benefits from a legacy gift. This can help reduce the tax cost on the entire estate.

Inheritance tax (IHT)

Inheritance tax is a tax on the estate of someone who has died. As executor, you'll need to inform HMRC of the impact of IHT on the estate. To do this, complete an IHT 205 form or IHT 400 form. You can download these from the government website. You have 12 months to make the return, otherwise HMRC may issue a penalty.

There's normally no IHT to pay if either the value of the estate is below the £325,000 threshold (known as the nil-rate band), or everything is left to the spouse or civil partner or to charity. For those married or in a civil partnership, when the first of the couple dies their threshold can be transferred to the estate of the surviving partner, so that the nil-rate band can be up to £650,000.

The standard IHT rate is 40 per cent. It's only charged on the part of the estate that's above the threshold. The estate can pay IHT at a reduced rate of 36 per cent if 10 per cent or more of the estate is left to charity. You can use the IHT calculator on the government website to see how this effects the estate you are dealing with: www.gov.uk/inheritance-tax-reduced-rate-calculator

Anyone leaving their main home, or sale proceeds of that home, to direct descendants (children, grandchildren etc) is entitled to an additional exemption from IHT of up to £175,000. This is known as the residence nil-rate band. The amount can also be transferred to the estate of the surviving spouse or civil partner.

Changes to Pensions and Inheritence tax (IHT)

Currently, most unused pension funds are not normally included in the value of a person's estate for Inheritance tax (IHT) purposes. Pension death benefits are typically paid at the discretion of the pension provider, taking into account any beneficiary nomination made by the deceased, and are therefore usually distributed outside the terms of the Will.

From 6 April 2027, the rules are expected to change so that most unused pension funds and death benefits will be included when calculating the value of the estate for Inheritance tax purposes. This means the value of any remaining pension funds may increase the overall estate value considered for IHT and could result in a higher tax liability.

IHT and charities

UK-registered charities are exempt from IHT. Where the residue is shared between registered charities (exempt) and individuals or other types of organisations (non-exempt), you will need to work out which shares of residue are subject to IHT before you pay out. Please contact us regarding this issue or seek advice from a legal expert.

IHT example

The estate is worth £500,000 and the tax-free threshold is £325,000. The inheritance tax charged will be £70,000, which is 40 per cent of £175,000 (£500,000 minus £325,000).

Capital gains tax (CGT)

Capital gains tax occurs if an asset is sold after increasing in value since the date of death. The tax is calculated only on the amount the asset has increased by since that date.

Charities are exempt from paying CGT, so we recommend that you pass beneficial ownership of any asset or shares to us (or another charitable beneficiary) before a sale takes place.

This does not mean a physical transfer, but is a simple exercise on paper. You confirm to the charities involved that you will "appropriate" the assets to them, with their agreement, and then sell as agent or "bare trustee" on their behalf. This is in the interest of all beneficiaries as it reduces the overall tax cost on the whole estate. HMRC is entirely happy with this arrangement.

A house or land can be dealt with similarly, but appropriation needs to take place before contracts are exchanged. Please contact us regarding this matter, and do seek professional advice if you are asked to appropriate a house or land.

Income tax

Executors are responsible for paying income tax on any income the estate receives during administration, for example payment of interest, annual payments or annuity. It must be accounted for in the year which income is received.

Depending on the estate value, you may have to complete a Trust and Estate Tax Return (Form SA900) and account for tax on any gross income received. You can find this form on the government website at: www.gov.uk/government/collections/trusts-and-estates-forms

Charities can recover most of the income tax paid on their share of the estate. To do this, you will need to provide tax deduction certificates (Form R185 Estate Income) covering all the distributions. You can download these from the government website or CAFOD can provide a copy.



James lives with his family in Liberia, where he worked with our local partner, part of our global church network. Thanks to donations and gifts in Wills, he received the equipment needed to fish safely and sustainably. With the income James now makes he has put his son through high school and every night his family know he can get home safely.

Property and other major assets

If property or major assets are part of the estate, please let us know as we may be able to advise on the marketing, sale price and offers received to ensure the best value for all beneficiaries.

It is recommended that you get written valuations from more than one estate agent, preferably three. HMRC requires that the probate valuation should always be the market value at the date of death.

It is important that the property is shown to the open market. If it has development potential, please let us and other residuary beneficiaries know and involve us in any decisions. Where a house or land is appropriated to charity beneficiaries before sale (see “capital gains tax” on page 11), charity law usually requires a special valuation report, called a S119 report, before the sale takes place.

Stocks and shares

It is important for shares to be valued by a broker. For probate valuation, shares must be valued at a “quarter up” from the share price of the day.

To do this, work out one quarter of the difference between the “High” and “Low” quotes for the day the deceased died and add it to the “Low” figure.

Additional information

Changes to a Will

Ex-gratia payments

As executor, you may be asked to make payments to people which are not gifts mentioned in the Will. These gifts are known as “ex-gratia” payments. There may appear to be a very good reason why the payment should be made, however, such a payment can put charity beneficiaries in a very difficult legal position. Please contact us regarding this matter.

Before an ex-gratia payment can be made, as executor you should take professional advice on whether the intended beneficiary has a legal route to make their claim. If so, they should pursue this option.

Residuary beneficiaries must agree any payment which is not covered by the Will. There is a strict process of approval based on perceived moral obligation, first by the charities’ trustees and then by the Charity Commission itself. It is important not to make any ex-gratia payments without prior consent of other residuary beneficiaries. The Charity Commission booklet CC7 “Ex-Gratia Payments by Charities” gives further information about this matter. You can order a copy from the Charity Commission or download from the government website.

Varying a Will

A deed of variation can change the Will if it is in the interests of all affected beneficiaries. The most common reason is if a Will is poorly structured for tax. A deed of variation can take place once all the beneficiaries have agreed; however, if an affected beneficiary is under 18, a deed of variation cannot be used. For more information visit www.gov.uk/alter-a-will-after-a-death

Executor expenses

We are extremely grateful for the time and effort non-professional executors give to dealing with the estate. Not least, by acting as executor, you are saving the estate legal fees. You are, of course, entitled to reclaim all reasonable out of pocket expenses incurred, such as the cost of necessary travel, postage, telephone calls, photocopying and any payment made for items such as death certificates, probate fees etc. However, unless the Will includes a clause enabling the executor to make a charge for his or her time, non-professional executors are not legally permitted to do so.

Technical terms

Appropriation – Legally passing an asset to another for a particular purpose.

Assets – Everything of value owned by the deceased, such as their home, car, savings, investments, chattels and pension.

Beneficial ownership – This refers to anyone who has the benefits of ownership of a property even though the legal title of the property belongs to someone else.

Beneficiary – A person or organisation that has been left a gift in a Will.

Capital gains tax (CGT) – A tax on the profit when you sell an asset that has increased in value. It is the gain you make that’s taxed, not the total amount of money you receive.

Chattels – Moveable personal possessions, for example clothes, furniture or jewellery (not land, property or investments).

Deed of variation – A document which can modify aspects of a Will if all beneficiaries agree it is in their interest.

Estate – Everything owned by the deceased at the time of death minus their liabilities.

Ex-gratia – (literally, “by favour”) A payment not stipulated from the Will but made from a sense of moral obligation rather than any legal requirement.

Executor – A person appointed in a Will to carry out the wishes of the Will-writer.

Grant of probate – Confirmation by the court that a Will is valid and may be enacted by the executor(s).

Inheritance tax (IHT) – Tax on the estate for monies above the nil-rate band, payable before the estate is distributed.

Legacy – A gift to an individual or organisation from the estate which is specified in the Will.

Liabilities – Anything the deceased owed at the time of death, such as credit card debts or any outstanding mortgage.

Nil-rate band – The maximum value of an estate before inheritance tax will be charged at 40 per cent.

Pecuniary legacy – A gift of a fixed sum of money that can be index-linked to protect its value over time.

Probate – Confirmation that a Will is valid and can be carried out legally.

Probate Registry – The registry dealing with someone’s application for authority to deal with the deceased’s estate.

Residence nil-rate band – Anyone leaving their main home, or sale proceeds of that home, to direct descendants is entitled to an additional exemption from IHT of up to £175,000. This amount can be transferred to a surviving spouse or civil partner.

Residuary legacy – A gift of all or a share of the estate.

Residue – What is left of the estate after the payment of all debts, costs, pecuniary and specific gifts.

Specific legacy – A gift of a particular item to a person or organisation in a Will.

Will – Legal document which specifies a person’s wishes regarding their estate. It must be validated by the Probate Registry before it can be carried out.

Thank you

We hope this guide is helpful and leaves you feeling prepared. Please note that it provides general information only and should not be considered legal or financial advice. The information was correct at the time of publication but may be subject to change. For advice tailored to your specific circumstances, please consult a qualified solicitor or financial adviser. If you have any questions or concerns at any point during the administration, please don't hesitate to contact us and we'd be happy to help.

Helpful contacts

CAFOD Legacy Team
Romero House
55 Westminster Bridge Road
London
SE1 7JB
020 7095 5366
legacy@cafod.org.uk

The Bereavement Register
A free service to prevent mail continuing to be sent out to the deceased.
www.thebereavementregister.org.uk

Citizens Advice Bureau
Provides free, independent, confidential and impartial advice, face to face or by telephone.
www.citizensadvice.org.uk
03444 111 444

The Law Society
You can find details of registered solicitors across the country who specialise in Wills and probate issues.
www.lawsociety.org.uk
020 7242 1222

UK Government website – Wills, probate and inheritance
The government website has detailed information and advice concerning wills, probate and inheritance tax issues.
www.gov.uk/wills-probate-inheritance
www.gov.uk/hmrc

Tell Us Once
This service allows you to inform the government of a person's death in order for their documents to be cancelled and benefits to be stopped.
www.gov.uk/tell-us-once

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A better world needs all of us

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