

# Legal matters

There are a lot of legal terms associated with bereavement. We've listed meanings for some of the more common ones here.

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## **Absolute interest**

Something the beneficiary is entitled to immediately, without any restrictions.

## **Acquisition (probate value)**

The value at which either the personal representatives or the beneficiary receive any assets.

## **Administration period**

The time between the date of death and the date administration closes.

## **Administrator**

The person appointed to administer an estate where there is no valid will, or where the executor is unable or unwilling to act.

## **Advance directive**

Specific instructions, prepared in advance, to direct a person's medical care if they become unable to do so in the future. This is sometimes referred to as a 'living will'.

## **Agreed value**

The probate value as formally agreed by HMRC where inheritance tax is payable.

## **Appointment, power of**

A power given by will or deed to appoint someone to inherit something.

## **Apportionment**

The division of income in proportionate shares between certain beneficiaries, calculated on a daily basis.

## **Asset**

Any property, money or possessions that belonged to the deceased.

**Attorney**

A person appointed by someone to act in their place.

**Beneficiary**

The person who is named in a will or intestacy to receive something left by the deceased.

**Capital Gains Tax (CGT)**

If you sell or give away an asset that has increased in value, you may have to pay CGT on the profits (gain).

**Clearance certificate/certificate of discharge**

A certificate now usually sent in a letter by HMRC to let someone know they no longer need to pay inheritance tax.

**Codicil**

A written amendment to a will.

**Confirmation of the estate**

In Scotland, this is the legal document obtained from the Sheriff Court following a death. It's equivalent to the grant of probate in England and Wales.

**Death certificate**

The legal document issued by the registrar when a person dies. It is a copy of the entry in the death register.

**Deed of variation**

This lets people receiving funds or property from a will (beneficiaries) to change how the estate is distributed to reflect family circumstances and possibly save future inheritance tax.

**Disbursement**

A payment made to a third party.

**Enduring power of attorney**

Lasting power of attorney replaced the enduring power of attorney from 1 October 2007.

**Estate**

The term that covers everything an individual owns – ie money, property and possessions.

**Estate accounts**

Accounts recording the financial transactions during the administration period.

**Excepted estate**

An estate where no inheritance tax is due if certain criteria are met.

**Executor**

The person named in a will who carries out the will's terms.

**Gift**

A transfer of money or assets, free of charge.

**Grant of letters of administration**

If a valid will doesn't exist, this document authorises the person dealing with the estate (the administrator) to deal with the deceased's property and finances.

**Grant of probate**

When there is a will, this document authorises the person dealing with the estate (the executor) to deal with the deceased person's estate and fulfil the terms of the will.

**Grant of representation**

This term can cover either the grant of probate or grant of letters of administration.

**Inheritance tax**

The tax that must be paid from the estate of a deceased person.

**Instrument of variation**

A document that means a will or intestacy provisions can be changed.

**Intestacy**

This term is used when a person dies without a valid will.

**Lasting power of attorney (LPA)**

Lasting powers of attorney let you to set out your wishes in a legal document and to appoint trusted people as 'attorneys' to oversee them.

**Legacy/bequest/devise**

A gift contained in a will.

**Letters of Administration**

If the deceased died 'intestate' (without a will), or if the will is invalid for any reason, the grant of probate is called 'letters of administration'.

**Letters of administration with will annexed**

If the deceased left a will but didn't appoint an executor, or if the named executor is unable to carry out the duty, then the grant of probate is called 'letters of administration with will annexed'.

**Nil rate band**

The value of assets that a deceased person can leave to friends or family without them having to pay any inheritance tax.

**Personal representative**

The person responsible for dealing with the estate of a person who has died – ie, either the executor or the administrator.

**Power of attorney**

A formal deed in which a person appoints someone to act on their behalf.

**Probate**

Probate is a term used when referring to the right to deal with a deceased person's affairs. It's sometimes called administering the estate.

**Probate Registry**

The name of the public body responsible for issuing the grants of representation. There are local Probate Registries around the UK.

**Probate loan**

A short-term loan, offered to the executors or administrators, if inheritance tax must be paid before the grant of representation has been issued.

**Renouncing probate**

When a named personal representative signs a legal document cancelling their appointment.

**Residuary beneficiary**

The person entitled to the whole or part of the deceased's estate after all debts, funeral and testamentary expenses and legacies have been paid.

**Residuary estate/residue assets**

What remains of the estate after all debts, legacies, taxes and expenses have been paid.

**Specific legacy**

A particular part of a deceased's estate.

**Trustee**

The person who holds assets on trust.

**Will**

A legal document that states what you want to happen to your assets when you die.