

# Personal Representative Duties

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# Personal Representative Duties

The principal duties of the Personal Representative (PR) of a decedent's estate are to:

- Collect, inventory and appraise the estate assets
- Protect and preserve the assets
- Pay the taxes and debts of the decedent and the estate
- Distribute the remaining assets to the proper parties according to the law or the will

There are a few things you should try to determine before your first meeting with an attorney, such as whether there is a source of funds to be used to pay dependents, probate expenses and any outstanding debts. You should also determine if the decedent ever received funds from Medical Assistance. This information could affect the type of probate administration proceeding used for the estate, so discuss these items with your attorney as soon as reasonably possible after the death of the decedent.

The first decision regarding probate administration is choosing which one of the several alternative types of administration is applicable to the estate. The alternatives are:

- Formal (supervised or unsupervised)
- Informal
- Summary Proceedings of Exempt Estate
- Summary Proceedings of Non-Exempt Estate
- Determination of Descent
- Special Administration

Upon the appointment of the PR, there are many administrative tasks that need to be addressed. These include:

1. Contacting the decedent's insurance agent to inform him/her of the death and working with the agent to secure replacement insurance for the decedent's home and all personal property.
2. Obtaining a tax identification number for the estate and an estate bank account. The proceeds of the decedent's probate bank accounts are then transferred into the new estate account to avoid any commingling of funds. The estate account is used to pay all expenses of the estate.

3. Compiling a list of all known creditors and the amounts due each. This could include any funeral expenses, credit card balances, mortgage and other loan balances, medical expenses that will not be covered by insurance and any taxes owed. Check with Medical Assistance to see if there are any claims against the estate if you haven't done so already. If it appears that the expenses of the estate cannot be covered by the probate assets, do not pay any expenses from estate funds until you have discussed this with your attorney.

After the publication of the appointment of the personal representative, creditors have four months to file claims. Upon the expiration of the four month period, check with the Probate Court to determine if any claims have been filed. After the four month period has expired and the personal representative is aware of all debts of the estate, expenses such as credit card bills may be paid if the estate has sufficient assets to pay all debts, taxes and expenses. This is done to prevent the PR from being held liable to a claiming creditor if there are insufficient assets in the estate to satisfy all creditors.

4. Determining whether the estate meets the filing requirement for Federal and/or Minnesota estate tax returns.
5. Contacting the decedent's employer to collect any unpaid compensation and determining available benefits to be paid out such as pension, profit sharing, vacation pay, salary continuation, life and health insurance and other benefits from union or association benefit plans.
6. Contacting decedent's life insurance company to secure payment to beneficiaries.
7. Making arrangements for the disposition of personal effects of the decedent.
8. Checking the contents of any safe deposit box and removing the contents to review them with the attorney.
9. Consulting with appropriate financial advisors to determine how to invest the estate assets.

### **Important Dates:**

- a. Inventory / appraisal: This includes describing and valuing all probate assets as of the date of death and providing the list to all distributees of the estate.

- b. Federal and Minnesota Estate Tax Returns: These need to be filed with the appropriate tax authorities nine months after death when the gross estate meets the filing requirement. These returns report a list of all probate and non-probate assets and their value as of the date of death, less any liens, administration costs and other outstanding expenses.
- c. Disclaimer: If a disclaimer is to be made, it must be filed by a disclaimant nine months after the death of the decedent.
- d. Alternate valuation date: The date six months after the decedent's date of death may be used as the valuation date for the estate. This option can only be used if the alternate valuation date values reduce federal estate tax.
- e. Decedent's final income tax returns: The decedent's final return is due April 15th of the year following death.
- f. Quarterly payment of tax estimates for surviving spouse: Estimated tax payments are due on the 15th of April, June, September and January.
- g. Minnesota real estate tax payments: Real estate taxes are due by May 15th and October 15th.
- h. Selection of fiscal year for estate: The choice of an estate fiscal year is made as soon as possible and does not need to be a calendar year.
- i. Final accounting, closing of the estate and discharge of personal representative: According to Minnesota Statute, this cannot be done prior to four months from the date of the first published notice to creditors. After four months, the final closing of the estate and discharge cannot be completed until the full administration of the estate is complete, including disposition of all claims, payment of all administration expenses and estate and other taxes, preparation of the inventory, and distribution of all assets to those entitled.

If you have any questions about your duties as a personal representative or want more details and guidance regarding any of these items, please call or email a member of our Trust and Estate Planning team.