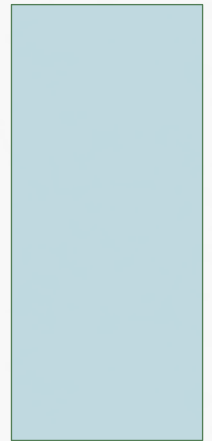


DECEDENT ESTATES

REQUIREMENTS OF PERSONAL REPRESENTATIVES
AND OTHER INFORMATION



TYPES OF DECEDENT ESTATES

- The DE case type describes an unsupervised administration of the estate, which was opened informally (by application) or formally (by petition).
- The DA case type describes a supervised administration, which was opened formally (by petition).
- The PE case type describes a smaller estate, which was opened by a Petition for Assignment. If the decedent was the sole owner of assets with a value of under \$25,000* (*amount indexed for inflation), transfer of those assets can be done with a PC556m Petition for Assignment (sometimes called a “Small Estate”).
- This presentation explains the requirements when a personal representative (“PR”) has already been appointed on a decedent estate (DE or DA case type).

SMALL ESTATES

- One benefit of a Small Estate is that it is an open-and-shut case, meaning the Order for Assignment is granted without a hearing and the case is closed immediately with no other requirements for the court case.
- You will need a copy of the death certificate, a copy of the funeral bill showing it was paid and who paid it, and to complete the Petition for Assignment form (PC556m), plus information about the assets that need to be assigned to a new owner.
- For more information on types of estates and whether a small estate or another process is appropriate for your situation, please review our website or see the resources on the last slide.
 - www.wcpdc.us –Probate Information—How to Open a Wayne County Probate Case—Small Estate/Decedent Estate

RESPONSIBILITIES OF A PR

- Once appointed as a personal representative, an Acceptance of Appointment (form PC571) must immediately be filed with the court.
 - Once the Acceptance of Appointment is filed, the Letters of Authority will be issued.
- Gather estate assets and determine value (may involve benefits such as social security, pension, life insurance, and may require obtaining appraisals)
 - An inventory must be filed with the court within 91 days of the date of the Letters of Authority. An inventory fee must also be paid to the court
- Give notice to the decedent's creditors
 - Provide proof to the court that notice was published in a legal newspaper; if the PR knows of specific creditors, they must be given actual notice that the estate is open.

RESPONSIBILITIES OF A PR (cont)

- Estate assets must be preserved and then distributed
 - Be sure there is enough in the estate to pay taxes before distributing to the heirs/devisees
 - PR must keep careful records of all income and never “borrow” from or mingle assets
- In a supervised administration (DA case type), file an annual account with the court
- If the estate is not settled within a year, file a Notice of Continued Administration with the court
- Ensure all taxes on the estate are paid and returns filed.
- Ensure estate is properly closed when administration is complete.

MISCELLANEOUS TIPS FOR THE PR

- PR can hire an attorney or another professional such as an accountant or investment advisor to help with administering the account
- Fees paid to such professionals from the estate are subject to review by the court and must be “reasonable”

INVENTORY

- PR must file the Inventory within 91 days of appointment.
- SCAO form PC577
 - Instructions are on second page
- For real estate, list the legal description of the property
- Value of real estate can be calculated using 2x SEV, a recent appraisal, or the sale price if sale occurred within one year of the DOD
 - Liens/mortgage should also be listed
- Real estate value must be verified by attaching recent tax statements or similar documentation

INVENTORY FORM PC577

P.C. Code: INV
TCS Code: INVF

STATE OF MICHIGAN PROBATE COURT COUNTY	INVENTORY <input type="checkbox"/> AMENDED (DECEDENT ESTATE)	CASE NO. and JUDGE	
Court address		Court telephone no.	
In the matter of _____ <small>First, middle, and last name of decedent</small>			
Personal representative's name, address, and telephone no. 	Personal representative's attorney bar no., address, and telephone no. 		
I, _____, personal representative, submit the following as a <small>Name (type or print)</small>			
<small>complete and accurate inventory of all the assets of the estate and the fair market valuations as of _____.</small> <small>Date of death</small>			
<small>PERSONAL PROPERTY AND REAL PROPERTY DESCRIPTION If property has been used to secure a loan (including an equity line of credit), show the nature and amount of the lien. Definitions and instructions for completing the inventory are on page 2 of this form. The values of all property are calculated as of the decedent's date of death. *For real property only, if the date of death is on or after March 28, 2013, the gross value of a parcel can be reduced by any lien amount on that parcel; however, the remaining inventory value of that parcel cannot be less than zero. For personal property, the gross value and inventory value are the same. (Attach separate sheet if necessary.)</small>			
Legal description of real property	Gross value	Lien amount	Inventory value (less lien)
Legal description of real property	Gross value	Lien amount	Inventory value (less lien)
Description of personal property	Gross value	Lien amount	Inventory value
Description of personal property	Gross value	Lien amount	Inventory value
Description of personal property	Gross value	Lien amount	Inventory value
Description of personal property	Gross value	Lien amount	Inventory value
Description of personal property	Gross value	Lien amount	Inventory value
Description of personal property	Gross value	Lien amount	Inventory value
Totals	Total Gross Value		Total Inventory Value

INVENTORY FEE

- By state law, the probate court collects an inventory fee based on the value of the assets listed on the inventory form
- You may calculate the fee using this online calculator: <https://www.courts.michigan.gov/courts/trial-courts/inventory-calculator/> [google “SCAO inventory fee calculator”]
- The inventory fee is an expense of the estate (the PR can pay it with estate funds or may reimburse themselves with estate funds when available)
- The inventory fee can be paid on the Court’s website or via check/money order payable to Wayne County Probate Court

NOTICE TO CREDITORS

- The PR must publish Notice to Creditors in a legal newspaper. After publication, creditors have a claims period in which to present claims to the estate.
 - Submit form PC574 to a legal newspaper (for example, Detroit Legal News, see link on WCPC website for contact information) and they will charge a fee for publication and send a copy of the notice to the court
- If the PR knows of particular creditors, actual notice (in addition to publication) must be given to those creditors
- The PR must decide which claims should be allowed or disallowed, and may negotiate to settle a claim
 - If a claim is disallowed, the creditor has the option of filing a lawsuit against the estate to seek payment

NOTICE OF CONTINUED ADMINISTRATION

- If estate administration is not completed within one year, the PR must file the PC587 Notice of Continued Administration and serve it on the interested parties
- It is due annually on the anniversary date of the PR's Letter of Authority
- The estate will be administratively closed if the Notice is not filed

Approved, SCAD		JS CODE: NCD
STATE OF MICHIGAN PROBATE COURT COUNTY OF _____	NOTICE OF CONTINUED ADMINISTRATION	FILE NO. _____

Estate of _____

1. The original appointment of the first personal representative occurred on _____
Date

The administration has been continued annually since the date of the original appointment.

The estate was reopened and the first personal representative for the reopened estate was appointed on _____
Date

2. The estate remains under administration. The continued administration is necessary because:

3. The interested persons, addresses, and their representatives are identical to those appearing on the initial application/petition except as follows: (for each person whose address changed, list the name and new address; attach separate sheet if necessary)

_____ Attorney signature	_____ Date	_____ Personal representative signature
_____ Attorney name (type or print)	_____ Bar no.	_____ Name (type or print)
_____ Address		_____ Address
_____ City, state, zip	_____ Telephone no.	_____ City, state, zip
		_____ Telephone no.

NOTE: Send this notice to all interested persons.

Do not write below this line - For court use only

EXPIRATION OF LETTERS

Your letters of authority will have an expiration date. The letters are proof of your authority.

To request updated letters of authority, complete form WCPC99, Petitioner Filing Coversheet, when filing your Notice of Continued Administration. There is a \$12 fee for Letters.

You will likely not be able to perform many functions with an expired letter of authority.

See instructions on website www.wcpc.us (click on Filing, then Requesting Updated Letters) to request additional copies or updated Letters.

CLOSING THE ESTATE

- Before the estate can be closed, the court will check the file to make sure that:
 - The inventory fee was paid
 - The notice to creditors was published and the time for presentation of claims has passed
 - The PR was appointed at least 5 months ago
- Unsupervised estates can be closed by:
 - Filing a Sworn Statement to Close (PC591),
 - Filing a Sworn Closing Statement, Summary Proceedings (PC590), OR
 - Filing a Petition for Complete Estate Settlement (PC 593)

SWORN CLOSING STATEMENT, Summary Proceeding (Small Estates) PC590

- May be used only when the value of the estate assets did not exceed the costs of administration
 - Costs can include medical bills for final illness of decedent, family and homestead allowance, exempt property, etc.
- Note that minimum time for estate to remain open does not apply here and the estate may be closed immediately
- Otherwise very similar to PC 591 on next slide

SWORN STATEMENT TO CLOSE (PC591)

- This form is a sworn statement by the PR that they have done everything needed to administer the estate *Must be notarized
- No hearing is required and there is no fee
- The form must be served on all interested persons
- If there are no objections within 28 days of the filing of the Sworn Statement, the PR may (but is not required to) file a Certificate of Completion
- If the estate is not re-opened and no objections are filed within a year from the filing of the Sworn Statement, the estate is closed and the PR's authority is terminated

PETITION FOR COMPLETE ESTATE SETTLEMENT

- Can be used for an unsupervised (DE case type) ;
- Must be used for a Supervised Estate (DA case type);
- An inventory and account are also required to close
- Filing this petition will put the matter before the judge and a hearing will be scheduled
- Interested persons have the opportunity to object at or before the hearing
- If the judge grants the petition, the judge will enter an Order of Complete Estate Settlement
- The PR can also ask that the court approve the distribution of estate assets, including settlements; PR can also request a separate Order of Discharge

RE-OPENING AN ESTATE

- Sometimes it is necessary to reopen an estate, for example, because assets were not fully distributed out of the decedent's name or new assets are discovered
- Any interested person, including the prior PR, can file to re-open the estate
 - May be done by Application or Petition, depending on circumstances
- **Note:** a Petition for Assignment (Small Estate) can be amended or a supplemental petition may be needed if new assets are discovered (so long as total value of multiple petitions remains under threshold amount)

MISCELLANEOUS INFO

- If the PR is unsure how to proceed with administration (or would like the court to approve a particular action), the PR can file a “Petition for Instruction”
 - There is no specific court form (can use a blank Petition form pc586)
- The PR must keep the interested parties informed of the estate administration
 - Serve copies of all court forms on the interested persons

HOW TO FIND FORMS

- Google “SCAO PC[form number]”
- Follow the link on the WCPC website: www.wcpc.us then “forms” then “SCAO forms”
- Forms can be signed electronically by typing “/s/[your name]”

HOW TO FILE FORMS WITH THE COURT

- The court can accept completed forms by email when sent as a PDF attachment
 - You can sign electronically by typing “/s/[your name]” on the signature line
- You can pay fees on our website after the form is accepted or you can send a check/money order payable to Wayne County Probate Court with your forms by mail or drop off (no in-person service, just dropbox) to:

Wayne County Probate Court

1305 CAYMC

2 Woodward Ave.

Detroit, MI 48864

RESOURCES

- Visit our website www.wcpc.us
- Email info@wcpc.us
- Wayne County Probate Bar Association lawyer referral service
 - Call 1-800-357-7090 (first consultation is free)
- Michigan Legal Help website
 - www.michiganlegalhelp.org