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ESTATE SETTLEMENT GLOSSARY OF TERMS

BENEFICIARY – A person who is left something in a will.

ESTATE TAXES – The taxes imposed by the federal government on the transfer of assets at death. Estate taxes are generally paid by the personal representative of the probate estate or the trustee of a living trust. The current estate tax exclusion amount is \$12.92 million for 2023.

EXECUTOR/PERSONAL REPRESENTATIVE - The person or institution who is appointed by the testator or testatrix in his or her will to manage the funds and property of the estate after death and distribute them to the designated beneficiaries. If there was no will, the person appointed to handle an estate may be referred to as an “Administrator.” Personal Representative can refer to either an administrator or an executor.

DECEDENT - The person who has died.

HEIR - A person who inherits property (according to state law scheme of distribution) from a person who dies intestate.

INHERITANCE TAX – The taxes imposed by the State of Kentucky on gifts to others. The amount of tax owed is based upon the relationship between the person receiving the gift and the decedent. This is different from Federal Estate Tax.

INTESTATE - A situation where a person dies without leaving a valid will.

INVENTORY - A list of the decedent’s assets that must be filed with the court within 60 days of the personal representative’s appointment.

ISSUE - Lineal descendants of all degrees (e.g., children, grandchildren, great-grandchildren, etc.).

REST/RESIDUE/REMAINDER – These words used separately or together mean all of the remaining assets in an estate. This could include real estate and personal property. Often this portion of the estate contains a majority of the financial assets.

PROBATE - The legal proceeding by which a person is appointed to handle the estate of a decedent including paying debts and disbursing assets according to the law or the will of the testator. Probate starts with the opening of the estate by filing the decedent's will or intestate petition with the probate court, and ends after all taxes and debts of the decedent have been paid, the assets accounted for and distributed in accordance with the terms of the decedent's will or the law. Probate lasts for six months to permit creditors to submit their claims but there is no maximum term depending on the status of the property transferred and the debts of the decedent.

SETTLEMENT – The final report to the probate court showing what monies came into the estate and how they were disbursed.

TESTATE – When a person dies with a valid will.

TESTATOR (If female, TESTATRIX) – A person who makes a will.

These materials are for general informational purposes only. Consult an attorney for legal advice about Probate.

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