

**ADMISSION EXAMINATION
ESTATES
PART 2
17 MARCH 2021**

ANSWERS / ANTWOORDE

**PLEASE NOTE THAT THE GUIDELINE ANSWERS TO PREVIOUS PAPERS
MAY NOT BE A CORRECT REFLECTION OF THE LAW AND/OR PRACTICE AT
THE MOMENT OF READING.**

NOTE TO EXAMINER: *THIS GUIDELINE RECORDS THE VIEWS OF THE DRAFTERS. THERE MAY BE JUSTIFIABLE VARIATIONS IN PRACTICE WHICH ARE BROUGHT OUT IN THE ANSWERS. WHEN THIS HAPPENS THE EXAMINER SHOULD APPLY HIS DISCRETION IN MARKING THE ANSWER.*

QUESTION 1 **[18]**

1.1 Massing occurs when two or more persons, with testamentary capacity [1], combine or consolidate their separate estates (or their undivided half shares of their joint estate when they are married in community of property) into a single estate [1], prescribing in the Will what must be done with their consolidated estate [1] but leaving a benefit in favour of the survivor [1]. A joint will is usually drawn in this instance.

1.2 I, Arthur Boyd, in my capacity as Commissioner of Oaths, certify that

1.2.1 I have satisfied myself as to the identity of the testator [1]

1.2.2 This Will so signed is also the Will of the testator [1]

DATED AT _____ THIS ____ DAY OF _____ 2021

ARTHUR BOYD
COMMISSIONER OF OATHS [1]

1.3 The Commissioner of Oaths must certify as soon as possible after the testator has signed [1] even after testator has died. [1]

1.4 A person of the age of 14 years [1] and competent to give evidence in a Court of law. [1]

1.5 A person of the age of 16 years or more [1] and as long as he is mentally capable of appreciating the nature and effect of his act. [1]

1.6 A bequest in a Will of specific property (movable or immovable) [1] to a specific person, Trust or Charity. [1]

1.7 No. [1]

- 1.8 Collation is the process by which the inheritance of certain heirs of the deceased is adjusted in the distribution account to consider any benefits received from the testator during his lifetime. **[2]**

QUESTION 2

[8]

- 2.1 Jill inherits a child's share ($R5\,000\,000.00 \div 4 = R1\,250\,000.00$) or R250 000.00 of the Estate in terms of Section 1(1)(c)(i) of the Intestate Succession Act 81 of 1987, whichever is the greater **[2]**. As a child's share is greater, Jill will inherit a child's share in the amount of R1 250 000.00. **[1]**
- 2.2 Jack does not inherit as Tom is survived by his spouse and descendants. **[1]**
- 2.3 Lynn does not inherit as they were no longer married. **[1]**
- 2.4 Ed and Samantha inherit a child's share of R1 250 000.00 each. **[2]**
- 2.5 Craig will inherit a child's share of R1 250 000.00. **[1]**

QUESTION 3

[59]

The First and Final Liquidation and Distribution Account in the estate of the late Piet Venter (Identity Number 650315 5638 08 3) **[1]** who died on 5 November 2020 **[1]** and who was married out of community of property without the accrual system. **[1]**

Master's reference number: 1369/2020. **[1]**

Liquidation Account		R	R
Assets:			
<u>Immovable Property</u>			
The farm Morula 501, Registration Division, JR, Gauteng Province; Measuring 360 HA; Held by Deed of Transfer T1206/2009 [1] At Valuation	(1)		2 300 000.00 [1]
To be transferred to Jane Venter, the surviving spouse, in terms of clause 4 of the Last Will and Testament of the Deceased [1]			
Erf 168 Doornkop Township Registration Division JR, Province of Gauteng Measuring 900m ²			

Held by Deed of Transfer T1786/99 [1] Sold For	(2)		450 000.00 [1]
Movable Property:			
Farm Implements At Valuation:	(3)		190 000.00 [1]
1200 shares in Milk Ltd Valued by Stockbrokers	(4)		146 000.00 [1]
Items 3 & 4 to be awarded to Jane Venter, the surviving spouse, in terms of clause 5 of the of the Last Will and Testament of the Deceased [1]			
Loan Collected (The Venter Family Trust)	(5)		280 000.00 [1]
BMW X5, Registration BD 80 LD GP Sold for	(6)		209 000.00 [1]
Proceeds of Liberty Life Insurance Policy	(7)		300 000.00 [1]
Shares in COWS (Pty) Ltd Sold For	(8)		1 100 000.00 [1]
Investment at ABC Bank Account 4050635667 Capital	(9)		200 000.00 [1]
Accrued interest to date of death	(10)		25 000.00 [1]
TOTAL ASSETS			5 200 000.00 [1]
Liabilities:			
Administration Costs:			
Advertising Debtors and Creditor [1]			
Government Gazette	(11)	37.82	
Pretoria News	(12)	362.18	
Advertising Account for Inspection [1]			
Government Gazette	(13)	37.82	
Pretoria News	(14)	362.18	

Master's Fees (maximum)	(15)	7 000.00 [1]	
Executor's Fees at 3.5% on R5 200 000.00	(16)	182 000.00 [1]	
Bank charges to date	(17)	25 000.00 [1]	
Provision for bank charges [1]	(18)	2 000.00	
Postage and petties [1]	(19)	1 500.00	
Brokers fees for valuation of JSE shares [1]	(20)	260.00 [1]	
Ntuli & Co. – Valuation costs for the farm and movable properties [1]	(21)	22 000.00	
Fouche Attorneys – Provision for transfer costs for the farm [1]	(22)	27 000.00	
Claims against the estate	(23)	48 000.00	
Phomola – Funeral Expenses [1]	(24)	54 440.00	
Loan against Liberty Policy	(25)	30 000.00 [1]	
TOTAL LIABILITIES		400 000.00	
Estate Duty		0.00	
Balance for Distribution		4 800 000.00	
TOTAL		5 200 000.00	5 200 000.00

Recapitulation Statement			
Cash and assets reduced to cash			2 564 000.00 [1]
Less: Liabilities		400 000.00 [1]	
Cash Legacies		0.00	
Estate Duty		0.00	
Cash surplus to be paid to Jane Venter as sole heir		2 164 000.00 [1]	
		2 564 000.00	2 564 000.00

Distribution Account			
Balance for distribution			4 800 000.00 [1]
Awarded to: Jane Venter, a major surviving spouse of the deceased in terms of clause 4 & 5 of the Last Will and Testament of the Deceased [1]		4 800 000.00	
Award Consists of: Immovable Property: R2 300 000.00[1] Movable Property: R 336 000.00[1] Cash: R2 164 000.00[1] R4 800 000.00			
		4 800 000.00	4 800 000.00
Income & Expenditure Account			
Interest paid on investment account	(26)		10 000.00 [1]
Dividends paid on MILK Ltd shares	(27)		54 000.00 [1]
Executor's Remuneration @ 6% on R64 000.00	(28)	3 840.00 [1]	
Balance awarded to Jane Venter as sole heir		60 160.00 [1]	
		64 000.00	64 000.00
Fiduciary Assets Account			
None			0.00 [1]
Estate Duty Addendum			
<u>Property of the deceased</u>			
Assets as per liquidation Account			5 200 000.00 [1]
Less: Proceeds of Liberty Life Insurance Policy		300 000.00 [1]	4 900 000.00
Less: Difference in value of private shares		100 000.00 [1]	4 800 000.00
Less: 30% on Farming property		690 000.00 [1]	
			4 110 000.00

<u>Property Deemed to be Property</u>		
Add: Proceeds of Liberty Life Insurance Policy		300 0000.00 [1]
Proceeds of Old Mutual Policy: R1 100 000.00 [1]		
Less: Premiums paid plus 6% Interest: R100 000.00 [1]		1 000 000.00
Gross value of the estate		5 410 000.00
Deductions – Section 4		
Costs of Administration and claims	400 000.00 [1]	
Surviving spouse's Inheritance: s4q	4 800 000.00 [1]	5 200 000.00
Net value of the estate		210 000.00
Less Primary Rebate – Section 4A		3 500 000.00 [1]
Dutiable Amount		0.00 [1]
Estate Duty at 20% on R0.00		0.00

Certificate

I the undersigned, Eva Venter, executrix in the estate of the late Piet Venter No. 1369/2020, hereby declare that the estate account is to the best of my knowledge and believe a true and proper account of the liquidation and distribution account of the estate [1], and that to the best of my knowledge and belief all the assets, income and expenditure after date of death are reflected. [1]

Signed at Pretoria on this 17th day of March 2021. [1]

Eva Venter

Executrix

QUESTION 4**[10]**

- 4.1 Notice to debtors and creditors [also Sect 29 Notice] **[1]** and that the Liquidation and Distribution account lies open for inspection [also Sect 35 Notice]. **[1]**
- 4.2 Sect 29 – after receipt of the Letters of Executorship. **[1]**
Sect 35 – after the estate account has been approved by the Master. **[1]**
- 4.3 Government Gazette **[1]** and the Local newspaper circulating in the area where the deceased was resident. **[1]**
- 4.4 Sect 29 = minimum of 30 days and maximum of 3 months. **[1]**
Sect 35 = not less than 21 days. **[1]**
- 4.5 Sect 29 = to request creditors to submit their claims against the estate. **[1]**
Sect 35 = to give interested parties the opportunity to inspect and lodge an objection against the estate account (if any). **[1]**

QUESTION 5**[5]**

Net value of Estate	7 000 000,00 [1]
<u>Less</u> Primary Rebate	3 500 000,00 [1]

	3 500 000,00

<u>Less</u> Roll over of the rebate from the estate of the first dying spouse	3 500 000,00 [2]

	NIL [1]
	=====

Therefore no estate duty payable.

TOTAL: [100]