



Determining Proper Executor Compensation

INFORMATION AND INSTRUCTION KIT

June 5th, 2020

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The following factors are used to determine Executor compensation:

- Whether the Will says anything about compensation. Some Wills deal with this issue expressly.
- The time and effort expended by the Executor. Detailed time logs and records should be maintained.
- The care and responsibility involved; the complexity of the Estate. Some Estates are simple, and some are complex.
- The skill and ability of the Executor.
- The results achieved.
- The size of the Estate. Generally, larger Estates warrant more compensation, but keep in mind that large Estates are not necessarily complex.

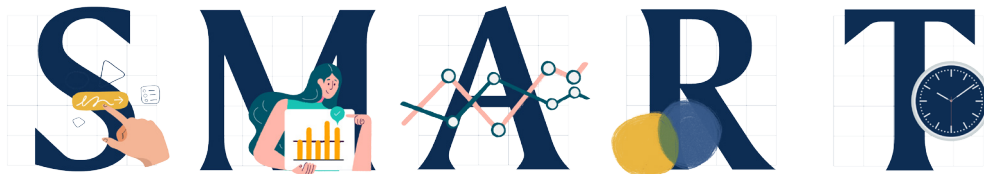
The currently accepted calculation for Executor fees is:

- 2.5% of capital receipts.
- 2.5% of capital disbursements.
- 2.5% of income receipts.
- 2.5% of income disbursements.
- 0.4% per annum for 'care and maintenance' (often expressed as 2/5 of 1%).

A proper set of Estate accounts should show all transactions, broken into the four receipts and disbursement categories noted above.

Even this 'proper' % calculation is still an approximation. Courts usually assess the final amount on a combination of the subjective factors listed above and the % above.

One other point. If an Estate has a very expensive house in it that is sold easily, do not expect the actual formula above to work. Similarly, a complex, lower value, estate may result in a larger Executor fee.



Want more information?

**ARE YOU INTERESTED IN A CONSULTATION WITH PETER R. WELSH?
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