Four Steps to Valuing an Estate

Determining the value of an estate is a fundamental first step in estate management and a critical requirement for settling a decedent's estate.

How to Value an Estate

1. **Select the date of calculation.** Because values move up and down, you need to set a specific date for a valuation. For a living person, you are free to pick any date. If you're valuing a decedent's estate, you may choose either the date of death, or the date six months after death (the "alternate valuation date"). If you use the alternate valuation date, any asset sold or distributed during the first six months following the death must be valued as of the date of sale or distribution.

2. **Determine the assets comprising the estate.** This asset list should include everything an individual owns or has ownership interests in.

3. **Gather all financial statements as of the date of calculation.** If an account is owned individually, the entire value should be calculated in the estate. If owned jointly with a spouse with rights of survivorship, then 50% of the value should be included. Remember to deduct any outstanding mortgage balance, and to Include life insurance when the policy owner is the deceased individual or the beneficiary is the decedent's estate.

4. **Calculate deductions.** Subtract any debts from the total value of assets. For the decedent this may also include any regular bills that may be due (for example, utilities, medical expenses, and more), charitable gifts and state tax obligations.

Determining the value of an estate can be complicated, especially when settling an estate. Please consult a professional with estate expertise regarding your individual situation.

The Law Office of Eugene Gorrin, LLC
17 Watchung Avenue, Suite 204
Chatham, NJ 07928
973.701.9300
egorrin@gorrinlaw.com
www.gorrinlaw.com