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Timeline and Process for Closing Out an Estate and Paying Beneficiaries

A key question (and ultimate end game) for every estate administration, from the outset, is how soon the beneficiaries will receive their inheritance. The answer varies by estate, but, typically, it can take between 18 months and two years before an estate administration can be completed and final distributions can be made to beneficiaries—although partial distributions can almost always be made much sooner.

May 29, 2026 at 11:00 AM By **Amy Neifeld Shkedy** and **Rebecca Rosenberger Smolen**

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During the estate administration process, a multitude of tasks need to be completed by the estate's "personal representative" (i.e., the executor or administrator). Some core examples include initiating the legal probate process of appointing a personal representative for the estate with the Register of Wills, sending out notice letters to beneficiaries, legally advertising the estate, collecting, liquidating and investing assets, closing accounts in the decedent's individual name and opening accounts titled to the estate, paying debts and estate expenses, filing state inheritance tax or federal estate tax returns and filing income tax returns. The last step in an estate administration is to make a final distribution of assets to beneficiaries.
Before doing so, a number of factors should be taken into account.

Before the coast is clear to distribute estate assets to beneficiaries, a personal representative must first ensure that there are no known unresolved creditor claims against an estate (including taxes). Shortly after a probate is opened, a personal representative for the estate of a deceased Pennsylvania resident is required to advertise the grant of letters testamentary, in the case of an executor, or letters of administration, in the case of an administrator (i.e., if there was no will, or no executor named under the will who is available to serve) to advise any creditors that a death has occurred and afford them an opportunity to present any claims. Generally, claims not presented within one year from the first date of advertisement will be disallowed. Any distributions made before this one year period has lapsed would be considered "at risk" distributions by the personal representative, meaning that if a creditor came forward before the year expired, then the personal representative could be on the hook personally if he or she made an over-distribution of estate assets.

Although final distributions to beneficiaries are made at the end of the estate administration process, earlier partial distributions can be, and often are, made before the conclusion of the process. The first distributions to be made typically would be to satisfy any cash bequests under a will. Generally, a personal representative would want to pay these cash bequests to the beneficiaries within one year from the date of death to avoid needing to pay interest at 5% (the time period before interest starts for cash bequests under a revocable trust is shorter—three months from the date of death), unless interest is waived under the terms of the will or revocable trust. These bequests usually would be paid early in the estate administration process (unless there are liquidity issues or a concern about an insolvent estate or creditors, in which case the personal representative would likely wait at least until the one year legal advertisement period

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expired).In addition to satisfying cash bequests, many times a personal representative will also make interim partial distributions to the residuary beneficiaries while the estate administration process is ongoing. This can be financially beneficial from an income tax planning standpoint where the beneficiaries are in a lower tax bracket than the estate.

Only once the estate administration process has completely concluded can final distributions be made to the residuary beneficiaries. New Jersey probates have some additional requirements prior to distributing assets to beneficiaries, such as child support searches and executing a refunding bond and release.

In making the final distributions, the personal representative will need to work with advisers to estimate what the final legal fees and accounting fees will be to close out the estate because, after the final distributions are made, there would need to be a final estate income tax return prepared and filed. A personal representative can prepay these expenses or can hold cash back as a reserve based on estimates until all expenses have been fully paid. Any funds remaining in the reserve would be distributed to the beneficiaries down the road. It is important to make sure that the reserve held back will be adequate to pay remaining expenses, otherwise the personal representative may need to cover the excess expenses and then request funds back from the beneficiaries. Unless the beneficiary and the personal representative are the same person, asking for money back can be a risky proposition in many circumstances, so it's advisable to keep a cushion in the reserve, just in case it is needed.

Before final distributions are made, a personal representative would typically provide a formal or informal accounting to the beneficiaries to reflect the activity that has occurred during the estate administration and have the beneficiaries approve this and agree to release the personal representative for his or her role in the estate administration. When court involvement is not needed, this would be accomplished by having the beneficiaries sign a receipt, release, refunding and indemnification agreement prior to receiving their distributions. When charities are named as beneficiaries, it is also necessary to confirm that the Pennsylvania Attorney General, as parens patriae for the beneficiaries, has no objections to the accounting.

In some pretty rare cases, to complete the administration process, a personal representative will find it necessary to file a formal accounting (and petition for adjudication) with the court to hav approved by the court rather than seek a signed release from the estate beneficiaries. A formal court accounting is more expensive and time consuming than an informal release agreement. approach is usually only taken due to circumstances where there are numerous beneficiaries,

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when the beneficiaries do not get along, or when there is a dispute among beneficiaries (or other interested parties) that will require court involvement to resolve.

Once the estate administration is completed and distributions have been made, the personal representative would file a status report with the local Register of Wills to advise the court that the estate administration is completed.

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