



PRIVETTE LEGACY PLANNING

**PRIORITY OF EXPENSES & DEBTS OF THE ESTATE**

1. Payment of costs and expenses of administration (including legal fees)
2. Property liens (e.g., mortgage, vehicle loans, etc.) that do not exceed the value of the specific item of property.
3. Funeral expenses to the extent of \$3,500. This is not a limitation on the reasonable expenses which may be incurred, only a limitation on the preferential treatment for payment of the expense. This does not include the burial place or gravestone.
4. Costs associated with gravestones and reasonable costs for burial place to the extent of \$1,500. This is not a limitation on the reasonable expenses which may be incurred, only a limitation on the preferential treatment for payment of the expense.
5. Taxes owed to the United States.
6. Taxes owed to the State of North Carolina.
7. Judgments, to the extent to which they are a lien on the Decedent's property, as well as the Department of Health and Human Services for Medicaid recovery claims.
8. Medical bills (for services rendered and for medications and other medical supplies necessary for treatment) within the 12 months preceding death, as well as unpaid wages to employees employed by the Decedent.
9. Claims for equitable distribution as part of a divorce action.
10. All other claims (funeral expenses exceeding \$3500, gravestone and gravesite expenses exceeding \$1500, medical bills older than 12 months, credit card bills, etc.).