

OUR FEES, THE USUAL STEPS AND TIMESCALES FOR ACTING ON YOUR BEHALF IN AN ADMINISTRATION OF AN ESTATE

If you are appointed an Executor in a Will or someone has died without leaving a Will and you are closely related to them then you will need to finalise all their financial matters. Quite often this will mean applying to the Probate Registry for a Grant of Probate.

There may be just a house to sell or a couple of bank accounts to close, or it may be their affairs are more complicated.

If it is very straightforward you could do this yourself or you could ask us to help you. It is often a difficult time for the family and having to deal with administrative tasks may seem overwhelming. Furthermore, if the estate is more complicated and inheritance tax may either need to be paid or nil rate band allowances need to be claimed, then you may want to make sure that all of this is done correctly.

In our experience you may want our help in administering the estate where:

- the estate is over the nil rate band threshold, currently £325,000 or £650,000 if the transferrable nil rate band is appropriate;
- inheritance tax needs to be paid
- there is a trust
- there are foreign assets
- there are issues with the Will caused by complicated family situations
- the income and capital gains tax issues are not straightforward
- there is no Will

We offer services for different types of estates and can do as much or as little work as you would like us to, depending on your situation.

As part of our fees you will be provided with an experienced probate solicitor to oversee your matter.

In addition to our fees there will be estate disbursements. These are costs related to your matter that are payable to third parties such as the fees payable to the Probate Court. We handle the payments of disbursements on your behalf to ensure a smoother process.

GRANT ONLY SERVICE

Our Grant only service means that you would deal with most aspects of the administration but ask us to prepare the HMRC form and the documents necessary to make the application to the probate registry for the Grant of Probate. You would provide us with all the information in relation to the assets and liabilities in the estate.

Examples of our charges:

- There is a valid will and no inheritance tax payable so the application is made using the shorter tax form will be:

£950 plus VAT

- If you would like us to claim the transferrable nil rate band then our costs will be:

£1,050 plus VAT

- If there is no inheritance tax payable but due to complications within the estate the long inheritance tax account (IHT 400) is required, then we will charge:

£1,450 plus VAT

- If there is inheritance tax that needs to be paid and therefore the long inheritance tax form and procedure is required then our costs will be:

£1,850 plus VAT

For all the above examples, in addition to our costs, the estate disbursements are likely to be:

Probate application fee - £155-£160

GRANT ONLY PLUS SOME ADDITIONAL WORK

You may require the Grant only service as set out above but then decide you would like us to carry out some additional work for you. We will give you a detailed estimate of these costs once we know what further work you require us to do.

These would be charged at our hourly rates which range from £195 - £255 per hour plus VAT depending on the level of the fee earner.

Please note that our fixed fees may be subject to change if information comes to light which changes the procedure required or the nature of the work involved, for example, if a further asset is located which changes the inheritance tax position, the original Will cannot be located or if you require us to communicate with financial institutions on your behalf to obtain information needed to apply for the Grant.

In some circumstances, where estates are large or particularly complex, we will provide a bespoke fee estimate based on the work required to obtain the Grant, as such matters will usually take more time. In such circumstances, our charges are based on the time we spend at our hourly rates which range from £195 - £255 per hour plus VAT. Examples of a large or complex estate include those where there are domicile issues, estates where inheritance tax reliefs such as business property relief or agricultural property relief need to be claimed, estates which contain large investment portfolios and estates which contain foreign assets.

FULL ESTATE ADMINISTRATION

We would deal with all aspects of the administration of the estate on your behalf.

This could include:

- Seeing you for a long initial appointment in which we would discuss the Will in detail with you, take details of all the assets and liabilities in the estate, the family and any other relevant information
- Arranging for the funeral to be paid
- Obtaining valuations of all the assets and details of all the liabilities in the estate
- Contacting all the beneficiaries

- Contacting utility companies
- Arranging for clearance of the property
- Placing the property on the market
- Preparing the HMRC account either short or long together with supporting documentation and forms to make applications for relevant nil rate bands and other inheritance tax reliefs
- Arranging for the payment of inheritance tax, if appropriate
- Preparing the Oath or statement of truth for the Probate Registry
- Preparing forms for closure or transfer or investments
- Upon receipt of Grant registering it with all bank accounts and investments and arrange for closure and sale, sell or transfer shares, and finalise the sale of the house
- Settling liabilities
- Placing statutory notices in London Gazette and local newspaper to protect against unknown creditors
- Paying out cash gifts in the Will and deal with any other gifts in the Will not already dealt with
- Finalising all tax matters with HMRC in relation to Inheritance Tax, Capital Gains Tax and Income Tax
- Preparing Estate Accounts
- Distributing the Estate

OUR CHARGES

Our charges are based on the time we spend at our hourly rates which range from £195 - £255 per hour plus VAT. We do not charge based on the value of the estate.

Examples of our charges:

- For an estate of approximately £300,000 in value where there is a Will, and includes a property, two bank accounts and 2-3 beneficiaries

£3,000 - £5,000 plus VAT and estate disbursements

- For an estate of approximately £600,000 in value, where there is a Will, but no inheritance tax to pay a property, a few bank accounts and some other investments

£5,000 - £7,000 plus VAT and estate disbursements

- For estates of more than £600,000 where we are in addition, either paying Inheritance tax or claiming further nil rate bands, dealing with Trusts from a previous estate or applying inheritance tax reliefs then we would expect our costs to be in the region of 2-3% of the value of the Estate.

- For estates over £1,000,000 we will give you an estimate following our initial discussion.

Our costs are entirely dependent on the amount of work that we have to do due to the complexity of the estate.

We may for example have an estate which is not of high value and would therefore usually fall into our first example above but due to some complicated family issues we have to spend a lot of time dealing with family members. As a result, our costs may be more.

We may have an estate which is of much higher value but the assets are all straightforward, there is no house to sell and the inheritance tax situation is straightforward so our fees would be less than the example above.

Shareholdings can from time to time increase the costs in an administration. If for example, we do not have the original share certificates then we will have to apply for indemnities which can be expensive if the shareholding is a sizeable one.

Conveyancing fees for either the sale or the transfer of the property will be in addition to our costs set out above.

We will usually prepare an interim invoice upon receipt of the Grant and we would expect this to be settled by money that comes into the estate and not by the personal representatives themselves.

For a full administration, in addition to our costs, the estate disbursements are likely to be:

Probate Court Fee £155-160
Commissioner for Oath Fee - £7 (per executor)
S 27 Trustee Act Statutory Notices - £250
HMLR Office copy entries - £3
Bankruptcy searches - £2 per search

Time Scales

If we are instructed on a Grant only basis then we would expect to obtain a Grant within 4-6 weeks, depending on the speed at which the Probate Court send us the Grant.

A straightforward estate we would expect to take 6-9 months.

An estate where inheritance tax has been paid is likely to take 9-12 months.

There are matters that might mean that a matter takes longer such as delays with HMRC waiting for clearance that all tax has been paid. Sometimes selling shareholdings can delay matters but we will keep you fully informed throughout the matter.

Please note that our cost estimates above do not include the payment of inheritance, capital gain or income tax that may either be due on death or become due as part of the administration of the estate.