

PROBATE COSTS

INTRODUCTION

When a person dies it is necessary to appoint someone to deal with the assets they leave behind, pay any outstanding debts and liabilities and then distribute what is left to those entitled to it.

A Grant of Representation is the Court's authority to a person or person's enabling them to carry out this process. It is not always necessary to obtain a Grant of Representation in small estates.

There are different types of Grant of Representation. The main two types are: -

- Grant of Probate - where there is a Will
- Grant of Letters of Administration – where there is no Will

We recognise that there is sometimes a temptation to deal with the estate administration yourself but often there will be aspects of law and in relation to tax that you may not have considered or even be aware of. The danger is you “don't know what you don't know”.

We also understand that you may want to deal with certain aspects of the estate yourself and we are happy to assist in those cases.

The greatest concerns that clients have relate to Solicitors Costs. We understand that. Therefore in the vast majority of cases we are more than happy to agree a **fixed fee** with you at the outset giving you **cost certainty**.

There are three levels of service we offer: -

1. **“Grant only”** service where we make the application for the Grant of Probate / Letters of Administration and then hand it over to the Executors / Administrators to deal with the estate administration themselves.
2. **“Full Administration”** service where we will make the application for the Grant of Probate / Letters of Administration and then administer the estate. This involves cashing in the assets, paying the liabilities, making sure any taxation issues are dealt with, preparing a detailed account of monies received and paid and then dealing with the distribution of those monies.
3. **“Grant only plus”** this is where we make the application for the Grant and deal with part of the estate administration for you. It is an “unbundled” service where you can choose the elements of the administration you wish us to undertake for you.

The **fixed fees** that we have set out below include all cases except those where there is a dispute in relation to the estate or where the estate includes claims for Agricultural and/or Business Property relief. In these more complex cases we usually charge based on the time spent but will provide an accurate estimate of the anticipated fees and will not deviate from this without your authority. An indication of the fees on a complex estate is set out below

We **do not** charge based on the value of the estate.

FIXED FEE PROBATE (GRANT ONLY)

With this service we will: -

- Review the validity of the Will with you or in the case of Intestacy, advise you generally regarding your entitlement to deal with matters under the Intestacy rules
- Review the financial position of the estate with you
- Prepare the application for the Grant of Probate / Letters of Administration and meet with you in our offices to go through and complete the papers with you
- Submit the application to the Probate Registry and then report to you once the Grant of Probate / Letters of Administration has been issued.

Our fees for this service are: -

- Estates under £325,000 £600 plus VAT
- Estates between £325,000 and £650,000 but no IHT Return required £750 plus VAT
- Estates over £650,000 no IHT to pay and a full IHT Return required £1,000 plus VAT
- Estates over £650,000 IHT to pay and a full IHT Return required £1,500 plus VAT

In rare cases it is also necessary to file an additional document with the Probate Registry such as an Affidavit of Due Execution. Where this is required there will be an additional fee of £350 plus VAT

In addition the following "Disbursements" are payable: -

- Oath fee per Executor / Administrator £5
- Add fee for each Will / Codicil exhibited to the Oath £2
- Probate court fee £155 (plus 50p per each copy required)

Other disbursements will be advised as required, e.g. accountants fees, Statutory Advertisement to protect your position from unknown Creditors.

FULL ADMINISTRATION / GRANT ONLY PLUS

With this service we will deal with all of the elements outlined for the Grant Only service. We will also deal with the following aspects of the administration (where required): -

- Notification to beneficiaries of their entitlement, obtaining proof of their ID and providing them with regular updates as the administration progresses
- Dealing with all of the financial institutions in obtaining information required and then dealing with the closure / transfer of the assets*
- Dealing with payment of all debts and administration expenses of the estate
- Considering with you any potential claims against the estate and the measures that can be undertaken to protect the personal position of the Executor / Administrator
- Finalising the Income Tax position with HMRC
- Agreeing the Inheritance Tax position with HMRC
- Considering with you any potential variation of the Will / Intestacy
- Preparing a Statement of Account or Estate Account and providing a full breakdown of the estate's finances before carrying out the distribution
- Carrying out bankruptcy searches against beneficiaries prior to distribution to protect the personal position of the Executor / Administrator
- Dealing with the distribution of the estate by bank transfer

*this does not include the sale or transfer of land / property which we deal with separately and again can provide a fixed fee quote for

Our fees for the **Full Administration** or **Grant Only Plus Service** are as outlined above for the Grant Only service but in addition **add** the following fees (where required): -

- Dealing with beneficiaries (notification, ID, updates, distribution) £100 per beneficiary
- Dealing with utilities / debtors of the Estate (notification, updates, payment) £75 per company
- Dealing with the financial institutions (notification, encashment, reconciliation) £100 per company
- Deed of Variation From £400
- Estate Accounts (under 5 Assets) £250
- Estate Accounts (Over 5 Assets) £400

In addition the same “Disbursements” are payable as for the Grant only service. When we are carrying out the distribution of funds we will also carry out a bankruptcy search against the beneficiary to protect your personal liability. The cost of this is £2 per beneficiary.

TIMESCALE

In cases where there is no need to submit a full IHT Return we aim to complete matters we aim to complete the administration of the cash element of the estate in 3 to 4 months

In cases where there is a need to submit a full IHT Return we aim to complete the administration of the cash element of the estate in 4 to 5 months. It can take longer than this to obtain a formal Clearance letter from HMRC (Inheritance Tax). These timing can vary depending on the complexity of the estate, valuations that are required and claims for relief that need consideration by HMRC.

In cases where there is a property to sell the administration can take longer and is governed by how quickly a suitable buyer for the property can be found and how quickly the conveyancing transaction proceeds.

COMPLEX CASES

In cases where there is a particular complexity, for example a large farming estate or a complicated business structure involved, we reserve the right to charge on a timed basis or will agree with you a fixed fee that differs from the list of charges above. The reason for this is that these cases can involve detailed consideration of complex legislation and lengthy negotiations with H M Revenue & Customs. This varies significantly from case to case.

As a guide the average fee of a taxable estate involving a farm / business structure where claims for Agricultural and Business Property Relief are required are generally in the region of £4,000 to £6,000 plus VAT and the disbursements that are outlined above.