

Probate

Administration of Estates

When a person dies someone has to be given authority to sort out the estate, collect the assets, pay any debts and pay the estate to the right people. Where there is a will, that authority is called a grant of probate, where there is no will, it is called letters of administration. The grant is obtained by making an application to the Probate Court. Although there are differences in all estates, the usual process can be summarised as follows:

Stage 1

Meeting you to understand how the estate is made up, what are the assets, what are the debts, checking the funeral arrangements. At this stage we will explain your responsibilities as the executor.

Stage 2

Valuing the estate by contacting the banks, building societies and other investment holders and any creditors. We obtain valuations of properties and shareholdings.

Stage 3

Preparing the application for the grant and the HMRC account of all the assets and liabilities. At this stage any Inheritance Tax has to be paid. We will work with you to agree how that payment is made.

Stage 4

Grant of Probate/Letters of Administration. This is the formal authority to enable the estate to be completed and payments made.

Stage 5

Registering the grant. The grant has to be sent to all the asset holders so that payments can be made and assets sold or transferred.

Stage 6

Paying the debts. When the value of the estate has been collected in, any outstanding debts are paid.

Stage 7

Paying legacies and completing gifts. Any specific gifts of money or items are made to the relevant individual or organisation. Property and share transfers are completed.

Stage 8

Final Accounts. A detailed set of accounts are prepared to set out the financial history of the estate administration. Final payments are made to the residuary beneficiaries.

Where we add value

- We take away the administrative burden of winding up of the estate
- We have huge experience of the process, making it easy for you at a time when you least need the additional work and stress
- There are a number of pitfalls and potential issues that might arise during the course of the administration of an estate and a number of potential planning opportunities some of which may be apparent and some of which may not. If executors obtain professional advice to assist them with the administration of an estate then they should ensure that those issues and opportunities are spotted and taken into account at an early stage. Some examples of areas in which professional advice can produce savings and benefits for executors and the beneficiaries of estates are:
 - The use of a deed of variation to redirect the distribution of the estate in a manner that is efficient for inheritance tax (IHT) purposes;
 - Advice on how to deal with properties in such a manner as to minimise Stamp Duty Land Tax (SDLT) liabilities for beneficiaries and for example to help preserve the right to First Time Buyer Relief for beneficiaries;
 - Ensuring that the capital gains tax (CGT) allowances available to the executors and the beneficiaries of an estate are properly utilised to minimise CGT liabilities;
 - The registration of the estate with HM Revenue & Customs for the purposes of their Estates and Trust Register to avoid penalties for non-registration;
 - Protecting executors from potential claims from disappointed beneficiaries;
 - Making sure that Business Property Relief and Agricultural Property Relief are claimed at the right time and in the right way;
 - Making claims for the residence nil rate band and the downsizing relief.

Timescales

Grant only applications can usually be completed within 3 months. Full administration will take longer, but most estates can be completed within 12 months. Simpler estates can be dealt with in a shorter timescale. Complex estates, and those that set up or administer long term trusts or where there are disputes, can mean that this is longer. When we meet you we will talk to you about this and give you our best estimate of the timescale.

What it costs

Our charges are calculated on the amount of work done and the status of the person doing the work. To be cost effective and competitive, day to day work will be done by a Probate Executive. More complex and high value work will be done by a solicitor/partner in the team. Whoever does the work, it is all supervised and reviewed where necessary by a partner in the team. We find that produces a competitive price without in any way compromising quality of work.

The amount of work is usually dependant on the number of assets and the number of beneficiaries and debtors.

We are able to work on the basis of completing all the estate administration or taking it to the stages of applying for and obtaining the grant of probate/administration and leaving it to you to take on the remaining stages. If we work on that basis the below charges can be reduced.

These figures do not include the cost of:

- Variation of the will terms for tax planning or other reasons
- Disputes about the estate or specific assets
- Share transfers
- Assents and Property sales/transfers
- Ongoing administration of trusts set up in the will
- Completion of tax returns to date of death

There are a number of expenses that have to be paid in addition to our charges. The major payment is the application fee for the Probate Court, currently charged at £155 and £0.50 per copy of the Probate.

Professionals that we use to value assets such as properties and shareholdings charge their own fees, which depend on the value of the asset.

For example:

For a UK based uncontested estate consisting of a freehold property valued at £300,000 and savings of £10,000 (comprising of four bank accounts) to be distributed to 2 beneficiaries our fees would be between £2,000 to £2,500 plus VAT to complete the administration of the estate (which excludes the sale of the property). The Court Fee to obtain the Grant of Probate on an estate of this size would £155 plus £0.50p for each sealed copy. This would bring the total fees for dealing with an estate of this size to £2,155 to £2,655 plus VAT.

Factors that could cause the administration to become more expensive

- Unclear terms or ambiguities in the will
- Family disagreements about the assets, their value, funeral arrangements or whether the will is fair
- High value or estates with large portfolios of properties and shareholdings
- Estates involving family companies
- Asset valuations that are disputed by HMRC
- Where there are or have been family trusts
- Where there have been substantial pre-death gifts that affect the tax liability
- Large numbers of beneficiaries or where an exercise of tracing distant relatives is needed

Help us to help you

Our charges are based on the amount of time we spend on the work. Our timescales are based on the time it takes to get information from you and others and to process that information. You can help both by:

- Collating complete lists of assets and debts and bringing documents to support the figures to meetings
- Obtaining date of death valuations for bank accounts/building society accounts/asset valuations/liability figures prior to meeting us
- Providing full names and addresses of beneficiaries
- Resolving any disagreements within the family
- Responding promptly to requests for information/instructions from us promptly
- Resolve income tax returns for pre-death liabilities
- Having one point of contact for communication

Type of Probate	Details	Average legal fees of obtaining the Grant of Probate	Average legal fees to complete the administration of the Estate following issue of the Grant
Simple - Non Taxable	Up to 3 beneficiaries Up to 5 assets	£750 to £1,000	£750 to £1,000
	Up to 5 beneficiaries Up to 8 assets	£750 to £1,000	£1,000 to £1,250
	Over 5 beneficiaries Over 8 assets	£1,000 to £1,250	£1,250 to £1,500
Simple - Taxable	Up to 3 beneficiaries Up to 5 assets	£1,000 to £1,250	£1,500 to £2,000
	Up to 5 beneficiaries Up to 8 assets	£1,250 to £1,500	£2,000 to £2,500
	Over 5 beneficiaries Over 8 assets	£1,750 to £2,000	£3,000 to £3,750
Business aspect	Up to 3 beneficiaries Up to 5 assets	£1,500 to £2,000	£2,000 to £3,000
	Up to 5 beneficiaries Up to 8 assets	£2,000 to £2,500	£3,000 to £4,000
	Over 5 beneficiaries Over 8 assets	£2,500 to £3,000	£4,000 to £5,000
International aspect	Up to 3 beneficiaries Up to 5 assets	£3,000 to £4,000	£3,500 to £4,500
	Up to 5 beneficiaries Up to 8 assets	£4,000 to £5,000	£4,500 to £5,500
	Over 5 beneficiaries Over 8 assets	£5,000 to £6,000	£5,500 to £6,500

Notes: 1) All prices quoted are exclusive of VAT, expenses and Court Fees

2) The pricing shown reflects the average cost for work undertaken during the 12 month period up to November 2018 on an hourly rate of between £150 and £210 + VAT

3) Before any work is carried out we will send you a comprehensive pricing proposal providing you with the option of having the work done on an hourly rate basis or by way of a fixed fee.