

PROBATE - ADMINISTERING AN ESTATE

Our fees for administering an estate are typically charged at 1.5% plus VAT of the gross estate. The cost of administering estates are affected by the complexity of an estate and not necessarily only by the value of the assets and liabilities involved. The factors that affect the cost of administering an estate include, but are not limited to:

- The availability of details relating to the deceased's assets and liabilities.
- Whether or not there was a valid will in place at the date of death.
- The number and type of assets and liabilities within an estate.
- Cross border matters involving foreign currency and language translation.
- Whether or not inheritance tax is payable
- The number of beneficiaries involved and their whereabouts

Full administration of an estate is comprised of the following stages:

1. COLLECTION OF INFORMATION ABOUT THE DECEASED'S ESTATE AND PREPARATION OF APPLICATION FOR A GRANT OF PROBATE/LETTERS OF ADMINISTRATION

- We will need to gather complete information about the deceased's assets and liabilities at the date of their death. In more complex estates we will also need further information about gifts the deceased made during their lifetime.
- We can arrange for the settlement of a funeral account, provided that the deceased left sufficient cash assets to do so.
- Once we have this information we will need to complete inheritance tax returns and an application for probate.
- If there is inheritance tax to pay we will need to arrange for an initial payment to be made to HMRC.
- It is difficult to estimate the time that this stage will take as we are reliant on third parties such as banks responding to us promptly. However, we anticipate that this stage should be complete within 8 weeks of taking your instructions.
- This stage may take longer if the deceased died intestate and we need to trace relatives entitled to the estate.
- Once an application for a Grant is made we normally expect to receive it within two weeks although this will depend on the Probate Registry's workload.

2. COLLECTION OF ASSETS

- We will send a copy of the Grant of Probate/Letters of Administration to the financial institutions where the deceased had assets,
- We will assist you with the sale or transfer of property.
- We will settle any outstanding liabilities due from the deceased's estate.
- If there is no property to sell we anticipate that this stage will take approximately six weeks.
- If there is a property to sell this stage will be extended as we will need to ensure that all liabilities associated with the property (such as utility bills) are settled.
- During this stage we will normally advise you to take out statutory advertisements. These are a means of ensuring that creditors are made aware of the forthcoming distribution of the estate.
- Please note that there may be some overlap with Stage 3 (below).
- Fixed legacies will normally be paid during this period.

3. PREPARATION OF ESTATE ACCOUNTS AND DISTRIBUTION OF ASSETS

- We will prepare a set of estate accounts that set out the assets and liabilities within the estate as well as any administration expenses and income. The accounts will show what each beneficiary is entitled to.

- The accounts will be sent to the executors for their approval and will be then sent on to the residuary beneficiaries to show their entitlement.
- We may also need to prepare an estate income tax return and pay tax on any income received during this period.
- In some circumstances we may recommend that the distribution of the estate is delayed until six months after the Grant of Probate or Letters of Administration. This is to ensure that the period of time during which any third parties can make a claim against the estate is exhausted.
- Therefore we estimate that this stage will take between 4 weeks and six months. However, during this stage it may be possible to make partial distributions of the estate to beneficiaries.

THE PRICE OF GRANT OF PROBATE SERVICES ONLY

We also offer a service for obtaining a Grant of Probate only (stage 1 above). This service includes gathering information about the assets within an estate and submitting an application only. It does not include arranging to pay inheritance tax or collecting and distributing assets. The price range for this service is between £750 and £1500 plus VAT and will depend on:

- The number of assets and liabilities within the estate.
- The type of Inheritance Tax form that needs to be submitted, more complex estates require the completion of a longer, more detailed form.

THE BASIS OF CALCULATING OUR FEES

Probate is generally charged at a flat rate of 1.5% of the gross estate plus VAT. Hourly rates are set according to our fee earners' roles and experience. These range from £200 for a Fellow of the Chartered Institute of Legal Executives to £300 for a Partner. Hourly rates are subject to VAT. Fees for other work are charged on a time basis.

OTHER COSTS RELATED TO THE SERVICES YOU RECEIVE FROM US

The range of fees for the services above does not include disbursements which are costs incurred on behalf of our clients where {we act as an agent}. These are payable as follows:

- Current Probate application fee of £155. You will normally require additional sealed copies of the grant which are £0.50 each. On a typical estate we would request 5 additional copies.
- A fee of at least £13 for each executor swearing the Oath (£11 where there is no Will). The fee charged varies according to how many documents need to be sworn, for example, if the deceased left several Codicils this fee will increase with each codicil.
- Bankruptcy search fees of £10 per beneficiary.

POTENTIAL ADDITIONAL COSTS

- The transfer or sale of real estate.
- Advising you in regard to any contentious matters that arise during the administration of the estate.
- Any legal work required to transfer business assets upon the death of their owner.
- Valuation fees for stocks and shares, property, antiques and other assets as appropriate.
- Charges for the verification of ID documents required in connection with the Money Laundering Regulations.
- Foreign bankruptcy search fees
- Charges relating to the electronic transfer of funds using the Bank CHAPs system of £40 plus VAT per payment and replacement cost of £30 plus VAT for each issued cheque which has been lost.
- Foreign bank charges relating to overseas payments and receipts which vary depending on the jurisdiction, bank and amounts involved,
- Tracing agents fees plus VAT for beneficiaries where we do not have the contact details

- Asset tracer fee of £25 inclusive of VAT.

VAT may be applicable to potential additional costs where amount not available above until requirements confirmed.

AGREEING OUR FEES WITH YOU AT THE OUTSET

At the outset of the matter we will be able to give you a far more specific estimate of our fees based on the circumstances you tell us about. We will also be able to give you a better idea of the time it will take to complete the estate administration. This will be set out in our Terms & Conditions of Business which we will ask you to confirm before the work commences. We will provide ongoing cost updates in the event that the cost is likely to exceed the estimate due to changes in circumstances or instructions.