

# Probate & Estate Administration

## OUR SPECIALITY

Although we do deal with a wide range of estates for new clients, most of our estate administration is undertaken for well-established clients of ours with estates that are either complex or involve the likely incidence of inheritance tax. Our service is structured accordingly.

## APPLYING FOR THE GRANT OF PROBATE

To optimise the returns for the beneficiaries of an estate it is important that executors plot the best course for administering the estate from the outset. Each Will, family and set of financial circumstances is unique. We advise on the meaning of the Will, who should administer the estate, how to trace and value assets and debts, how to assess the estate and the relevant financial history of the deceased for inheritance tax, and how to present the position to the Revenue. We can also advise on how to raise funds to meet inheritance tax and pay the Court fees necessary for probate. We will draft the appropriate inheritance tax return and probate papers, oversee the necessary signatures and submit them to the Revenue and Probate Court for you.

## ADMINISTERING THE ESTATE

In broad terms this means collecting in the assets, raising funds from the assets to pay the liabilities, settling all of the liabilities and distributing the residue to the appropriate beneficiaries. We can undertake this process in an efficient manner and can identify any opportunities to enhance outcomes for the beneficiaries.

## HOW LONG WILL IT TAKE

This depends on the technical accuracy of the Will and the complexity of the financial position and history of the deceased and their family. Although the documentation to obtain probate does not take long to draft once the information is together, the collection of the information can be time consuming particularly if there are foreign or trust assets or there is a business involved.

In the absence of complicating factors we aim to obtain probate within three months of instruction, and within that timescale also expect to have prepared any straightforward documentation necessary to enable us to collect in or transfer the assets in the estate. It usually takes between two or three months after receipt of probate to collect assets and settle liabilities. The time it takes to sell land will depend upon the property market. The time it takes to identify and settle any tax liabilities will depend upon the complexity of the issues and the time it takes for the Revenue to respond.

Subject to making reserves for taxes and other foreseeable outgoings, it should be possible to settle legacies, prepare interim accounts and make an interim distribution of the estate within one or two months of money becoming available.

## HOW MUCH WILL IT COST?

Our charges are calculated by reference to the time we spend on a file rather than to the value of an estate. An estate may be simple but large or may be small but complex. We will always give an estimate of our costs before starting work and are happy to set a budget which will not be exceeded without client agreement. In average cases where inheritance tax is payable experience shows that our fees are as

follows, excluding conveyancing costs and fees we may pay to other professionals such as valuers, financial advisers and accountants:

| Probate & Estate Administration– Range of Costs   |                |             |                       |                |                |
|---|----------------|-------------|-----------------------|----------------|----------------|
| Estate Value (£)  | Fees (£)       | VAT (£)     | Commissioner Fees (£) | Court Fees (£) | Total (£)      |
| Up to 100,000   | 4,000 – 6,000  | 800 – 1,200 | 7 (per executor)      | 155            | 4,962 - 7,362  |
| 100,001 – 300,000   | 4,000 – 9,000  | 800 – 1,800 | 7 (per executor)      | 155            | 4,962 - 10,962 |
| 300,001 – 500,000   | 4,000 – 15,000 | 800 - 3,000 | 7 (per executor)      | 155            | 4,962 - 18,162 |
| We will estimate for larger estates, but experience shows that these involve more work and costs tend to fall in the range 1 – 3 % of the gross estate + vat and disbursements. Our estimate will indicate where within this band the costs are likely to fall. |                |             |                       |                |                |

These costs are indicative only, in simple cases or where clients opt to undertake some work themselves the final costs may be a great deal less. We will always provide you with a more accurate estimate before we start work. Please speak to us first for a no obligation estimate.

#### OUR FEES ASSUMES THAT:

- this is a standard case and that no unforeseen matters arise
- the case is concluded in a timely manner and no unforeseen complications arise

#### DISBURSEMENTS NOT INCLUDED IN THE FEES ESTIMATE:

- Commissioners fee - £2 for each additional exhibit.
- Probate application fee - 50p for every additional sealed copy.
- Valuation fees (for property, land, chattels, shares etc.) - to be ascertained.
- Lost asset search - from £150
- Statutory advertisement - from £175 this helps to protect the executors against unexpected claims
- Bankruptcy search - £2 per name

#### WORK THAT IS INCLUDED IF REQUIRED

- Advising on meaning of Will or Intestacy provisions and on executor appointment
- Receiving death certificate, Will (if there is one) and all paperwork relating to the assets and liabilities
- Preliminary advice on searching for lost assets
- Preliminary advice on statutory advertising
- Preparing Death Certificate Verification Form
- Making enquiries of asset holders to ascertain the value of the assets within the Estate as at the date of death

- Making enquiries of creditors to ascertain the extent of the liabilities within the Estate as at the date of death
- Registering the death with all known creditors
- Registering the death with all pension providers
- Registering the death with HMRC for Income Tax purposes
- Reviewing all paperwork relating to the value of the assets and liabilities of the Estate and establishing the Inheritance Tax position and calculate the gross and net values of the Estate
- Preparing the Inheritance Tax Account
- Making an application for Transferable Inheritance Tax allowances (nil rate bands)
- Arranging for payment of Inheritance Tax
- Preparing the oath for Personal Representatives/Administrators
- Making the application for the Grant of Representation to the Court
- Dealing with any requisitions from the Court
- Registering the Grant of Representation with all known asset holders and calling in the assets of the Estate
- Preliminary advice on Capital Gains Tax position on recovery of assets
- Placing Statutory Advertisement (if required)
- Dealing with the Income Tax position during the administration if appropriate
- Dealing with the Capital Gains Tax position during the administration if appropriate
- Undertaking a Bankruptcy Search against all beneficiaries
- Settling legacies (if any)
- Preparing Estate Accounts
- Obtaining executors approval of Estate Accounts
- Liaising with beneficiaries
- Distributing the residuary estate to the residuary beneficiaries
- Preliminary legal advice on variation of a Will where appropriate

## ADDITIONAL SERVICES

We are able to offer a number of additional services, as follows.

Additional Costs (all prices are plus VAT)

- Deed of Renunciation from £150
- Notice of Power Reserved from £50
- Resolving Will Defects (an estimate will be provided)
- Lost Asset Search from £150
- Inheritance Tax Planning Review from £500
- Deed of Variation from £500
- Deed of Appointment to Unravel Nil Rate Band Discretionary Trust from £500
- Deed of Appropriation from £200
- Capital Gains Tax Planning from £200
- Dealing with Income Tax Clearance from £200
- Complete the deceased's income tax return and obtain lifetime clearance from HMRC
- Advice on the Executors legal obligations
- Advice on Inheritance Act claims or Will disputes

## FACTORS THAT WILL AFFECT THE COST OF YOUR CASE

- There are significant delays
- There is not a valid will
- There is more than one property
- There are a number of bank or building society accounts
- There are intangible assets
- There are numerous beneficiaries
- There are disputes between beneficiaries on division of assets.
- There are claims made against the estate
- All the assets are not in the UK
- There are complex title to assets
- There are aggregable trusts with an IHT impact
- There is lifetime gifting
- It becomes apparent that there are further assets or lifetime gifts
- Other complicating factors

Please call Paul Smith for a no obligation estimate - 01202 292424.