

Probate and Estate Administration fees

For a more accurate, detailed estimate of the likely fees which will be payable for your matter and an explanation of the process and possible timescales involved, you will need to call us on 01372 721 122 or arrange a no obligation 30 minute meeting.

Estimates can only be provided based on the information you provide us with and on the assumption that the transaction will not prove to be substantially more complex or time-consuming than expected for example there is no dispute and all the assets are in the UK. If the matter proves to be complex, you will be informed by the person dealing with your matter about any additional fees likely to be charged and why. The hourly rate of the person dealing with the matter may then apply where a fixed fee has been estimated.

Grant Only Service

We provide a Grant Only service whereby we only prepare the Inheritance Tax form and grant application for you based on the assets and debt information you have obtained or asked us to obtain. We do not cash in or transfer any assets and no estate funds can be paid in to our client account. This service is charged only on a time spent basis at the hourly rate and typically costs £800 to £1,000 plus VAT depending on complexity and number of assets.

Full Estate Administration Service

Our charges not only cover providing you with a dedicated and experienced team led by a probate solicitor to work on your matter and ancillary staff such as receptionists and cashiers but also covers the cost of running a high street office; computers and books, professional indemnity insurance and keeping our legal knowledge up to date. We base our charges on two factors:-

- a) the time spent dealing with your matter and
- b) a percentage of the gross estate to reflect the responsibility involved.

Percentage Charge

We charge 0.5% of the gross value of the residence and 1% of the gross value of the remainder of the estate. We charge only 0.25% of the gross value of assets and cash passing to a surviving spouse.

Where a partner in this firm is named as an executor in the Will, we charge 0.75% of the gross value of the residence and the gross value of the remainder of the estate as follows:

Up to £1 million – 1.5%
£1 million to £4 million – 0.5%

Time Charge

We charge for all the time we spend on your matter including meetings with you and others, any time spent travelling, considering, preparing and working on papers; correspondence, (including emails and text messages) making and receiving telephone calls and preparation of the estate accounts.

We charge you £235 plus VAT per hour for work done by a partner in the firm, £220 plus VAT per hour for work done by an experienced Legal Executive and for non-secretarial work carried out by a secretary £120 plus VAT per hour. These charging rates are reviewed annually on 31 December and we will notify you in writing of any increased rate. We will

add VAT to our charge at the rate that applies when the work is done. At present, VAT is 20%.

Normally we would not expect our total charges excluding VAT to exceed 2.5% of the value of the gross estate where there are one or two main beneficiaries sharing the estate after payment of a few legacies and debts.

We will identify the legally appointed executors or personal representatives and the type of probate application you need. Usually the first step in the work required to administer an estate is gathering the assets and liability information and using this to complete the Inheritance Tax forms. We then prepare the grant application and arrange a meeting with the executors to approve and sign all the documents before lodging them with the court. Once the grant is obtained, we deal with transferring or cashing in the estate assets as instructed by the executor, paying debts and settling legacies, preparing estate accounts showing how the estate was distributed after payment of the legacies, debts and administration period liabilities. We also advise you of the risks of acting as executor where you are not the sole beneficiary of the estate and what steps we can take to reduce the risks.

Once the administration is complete, we send you the estate accounts for approval and are happy to deal with any queries you may have. Although checking the final Income Tax calculation supplied by HM Revenue & Customs is included in the usual fee if the tax office require completion of tax returns our charges would be increased to cover the cost of completing these or we would recommend an accountant to carry out this work.

Our charges will also be increased if there are many legacies listed in the will or several beneficiaries sharing the estate as the number of people we need to write to for information and keep informed are increased. If Inheritance Tax is payable then our charges would also be higher to reflect the extra work completing the more detailed tax declaration form, checking tax calculations received and arranging payment of the tax due.

We also charge separately for preparing deeds of variation, selling estate property or if there are any disputes about the administration of the estate.

Other factors that can increase costs are missing or invalid Wills, missing beneficiaries, missing share certificates, intangible assets such as online betting accounts, disputes about the will or claims made against the estate.

For example:

An estate of £500,000 going entirely to a widow or widower and therefore not liable to Inheritance Tax and where the property is to be transferred would expect to incur a fee of £2,500 to £3,000 plus VAT.

An estate of £650,000 not subject to Inheritance Tax due to allowances claimed but comprising 14 assets (including a house) where the will leaves 8 legacies, but the rest of the estate is shared by only two residuary beneficiaries who are also executors would expect to incur a fee of £9,000 to £10,000 plus VAT for just the estate administration service and not including the fees for selling the property.

An estate of £825,000 subject to Inheritance Tax where the will leaves 5 bequests, but the rest of the estate is shared between 10 beneficiaries (including charities and children) where Gumersalls are named as executors, comprising 21 assets (including online assets and a house

to be cleared and sold) would expect to incur a fee of £20,000 to £22,000 plus VAT for just the estate administration service and not including the fees for selling the property.

If for any reason this firm ceases to be involved in your matter before its completion, we will charge you for the work we have done and the percentage we charge will depend on the responsibility involved. Our bill will also include VAT and expenses (known as disbursements).

Payments we make on your behalf to third parties (“disbursements”)

You will be informed in advance if the following charges are applicable to your matter, and if so, their exact amounts will be confirmed to you in writing, together with our preferred method of payment.

| Disbursement | When payment is likely to be needed | Cost |
|---------------------------------------|--|---------------------------------|
| Probate Court fees | On application for Grant of Probate | £155 plus 50p per official copy |
| | Statement Settlement fee | £10 |
| Birth, marriage or death certificates | | £14-38 |
| Trustee Act Notices | London Gazette | £94 |
| | Local paper | £100-150 approximately |
| Unclaimed Assets register search | | £25 |

Taxes

Income and Capital Gains Tax

Any tax owed by the deceased at the date of death is a debt of the estate and paid from the estate money collected in during the administration. The estate will also be subject to Income and Capital Gains Tax during the administration period (the period of time from the day after the date of death to the day the estate administration is finished). It is not possible to say how much the tax will be as it is based on the income and profits from sale of estate assets during the administration period.

Inheritance Tax

Inheritance Tax (IHT) is payable on the net value of the estate above £325,000. There are exemptions available where some or all of the estate is left to charity or a spouse and further allowances where a residence is left to the deceased’s children. We will calculate these and advise you of the tax payable when we prepare the Inheritance Tax Account as part of the grant application process. In some circumstances IHT can be paid over 10 years by annual instalment but there is interest payable on the outstanding tax. Further information is available from: <https://www.gov.uk/inheritance-tax>.

The length of time your matter will take

It is difficult to estimate how long this matter will take to bring to a conclusion. As a rough guide we would expect the administration of small estates to be concluded within a year. Medium estates may take from one to two years to administer and large or complex estates might take up to five years. Normally the grant of probate or letters of administration is obtained within 3 to 6 months of the death. Legacies and first payments to residuary beneficiaries can usually be paid within 6 to 9 months of the death. **In recent years there have been severe delays at the tax offices and in our experience, this can increase the length of time it takes to get a grant or tax clearance by two or three months.**