

## **Probate and Estate Administration**

Losing a loved one is an upsetting and difficult time, and dealing with their affairs can often be challenging in the best of circumstances.

The process of dealing with the estate of an individual who has recently passed away, where the person has a Will and a chosen Executor(s), is often referred to as “Probate”. During this process, the Executors will be responsible for collating information about the estate, dealing with the necessary Inheritance Tax reporting, applying for the Grant of Probate, collecting in assets, paying legacies, paying debts and expenses and eventually distributing the remaining estate to the beneficiaries named in the Will. The process is similar if someone passes away without having made a Will.

Our specialist team at Holley & Steer are able to offer a range of specialist services to assist and guide you through this difficult time. Typically, we offer two types of service, or an amalgamation of the two depending on our clients’ needs. These are as follows:

### **1) Obtaining a Grant only**

Whilst it is possible to apply for a Grant of Probate personally, many clients prefer to instruct a Solicitor to guide them through the process. It may be that you are happy and able to collect in all of the information regarding a loved one’s estate and deal with the assets and distribution of the estate yourself once Probate has been granted, but, you require assistance with the preparation of the relevant inheritance tax forms and application for a Grant of Probate.

We offer a fixed fee price for this service as follows:

- **£795 plus VAT** if the Estate is not subject to inheritance tax;
- **£1,495 plus VAT** if the Estate is not subject to inheritance tax and a full inheritance tax return (Form IHT400) is required;
- **£1,795 plus VAT** if the Estate is subject to IHT.

Our fees do not include the Probate Court fee which is payable in all cases. This fee currently stands at £273.00, plus £1.50 per additional office copy Grant that is required.

As part of our fixed fee, a member of our Private Client team shall, once in receipt of all necessary information from the Executor(s):

- a) complete the appropriate inheritance tax form(s) if required;
- b) calculate the inheritance tax payable (if any);
- c) prepare a Legal Statement of Truth for signing;
- d) submit an application for a Grant of Probate on your behalf; and
- e) provide you with the number of copies you shall require in order to deal with the assets in the estate.

Our team would be happy to carry out additional work relating to an estate on your behalf, if required. Please feel free to discuss this with us and any additional fees over and above our fixed fee will be agreed with you in advance.

## **2) Applying for a Grant, collecting in and distributing the assets (full estate administration)**

When dealing with an estate administration, our team will handle the whole process on behalf of the Executors, from start to finish.

The tasks that will need to be undertaken include, but are not limited to, the following:

- Registration of the death with asset holders such as banks, building societies, life insurance companies, shareholder registrars;
- Obtain date of death valuations for all assets, including property;
- Check whether any assets are written in trust;
- Obtain and document any information regarding lifetime gifts;
- Correspond with pension companies;
- Obtain tax certificates from banks and building societies, dividend information in relation to shares, P60s for pensions, to enable completion of any required final tax return to the date of death;
- Complete an income tax return to date of death (if returns for earlier years are required there will be additional costs for this);
- Complete necessary inheritance tax forms, apply and advise on any available tax reliefs and calculate any tax payable;
- Advise on and dealing with the payment of inheritance tax (if any);
- Apply for and obtain a Grant of Probate from the Court;
- Once received, register the Grant with the asset holders and encash or transfer the assets;
- Notify any beneficiaries of their entitlements and pay any legacies due;
- Settle any liabilities such as the funeral account, credit card accounts, utility bills etc;
- Submitting any claim for loss relief (if applicable);
- Obtaining clearance certificate from HMRC;

- Prepare Estate Accounts providing you with a detailed financial summary of the administration of the Estate; and
- Distribute the estate proceeds to the residuary beneficiary(s).

### **Holley & Steer's Charges**

Holley & Steer's charges are based on an hourly rate as we believe this to be the fairest way to cost such matters. This means that the estate shall only be charged for the amount of time (in hours) spent by our team in dealing with it. The level of charge will depend on the experience of the Solicitor or Legal Executive dealing with the estate. Our hourly charges range from £185 plus VAT for Trainee Solicitors/Legal Executives, up to £285 plus VAT an hour for work carried out by a Partner of the firm.

Each and every estate is different and the exact cost will depend on the individual circumstances of the individual and their estate. There are a number of variables which will affect the amount of work to be done. For example, the costs would normally be at the lower end of the scale if there are very few assets and no property. Alternatively, if there are multiple beneficiaries, a property and multiple assets, the costs will be considerably more.

We hope the following examples will give you an indication of our likely charges when dealing with an estate administration:

#### **Estate 1:**

- There is a valid Will (i.e. not an intestacy where beneficial interests have to be ascertained);
- The assets comprise of:
  - One property
  - A couple of bank accounts
  - A couple shareholdings
- There are 1 or 2 residuary beneficiaries and a few legacies;
- There are no disputes between the beneficiaries over the division of assets;
- There is no IHT payable and the executors do not need to submit a full IHT account to HMRC;
- There are no claims made against the Estate; and
- There are no assets held outside the UK.

Holley & Steer's charges would likely be in the region of **£3,000 – £5,000 plus VAT.**

#### **Estate 2:**

- There is a valid Will;
- The assets comprise of:
  - One property

- Numerous bank accounts
- Numerous shareholdings/investments
- A couple of life policies
- There are 1 to 5 residuary beneficiaries and a few legacies;
- There are no disputes between the beneficiaries over the division of assets;
- There is no IHT payable but a full IHT account is required to be sent to HMRC utilise tax reliefs;
- There are no claims made against the Estate; and
- There are no assets held outside the UK.

Holley & Steer's charges would likely be in the region of **£5,000 - £10,000 plus VAT**.

### **Estate 3:**

- There is a valid Will;
- The assets comprise of:
  - More than one property
  - Numerous bank accounts
  - Numerous shareholdings
  - Numerous investments and/or life policies
- There are 1 to 10 residuary beneficiaries;
- There are 5 legacies under the Will;
- There are no disputes between the beneficiaries over the division of assets;
- There is IHT payable;
- There are no claims made against the Estate; and
- There are no assets held outside the UK.

Holley & Steer's charges would likely be in the region of **£10,000 - £20,000 plus VAT**.

### **Potential additional costs:**

- If there is no Will or the estate consists of numerous and complex assets, there are likely to be additional costs that could range quite significantly, depending on the estate.
- Dealing with the sale of any property is not included within the cost estimate and a separate quote will be provided by our Property Department.

In addition to Holley & Steer's charges, there are a number of disbursements payable as follows:

- Probate Court fee:                    £273.00 plus £1.50 per office copy Grant required.
- Bankruptcy searches :            £2 plus VAT per name searched.
- Statutory Advertisements: £170.00 (estimate).

- Financial Asset search : £155.00 plus VAT (estimate).

Please feel free to contact our specialist team to discuss any aspects of an estate administration. Once we have a full appreciation of what is involved, we will be able to provide you with an estimate of costs for acting and of course, we shall keep you updated as to the costs as the estate administration progresses.

### **How long will it take?**

Typically, assuming everything runs smoothly, estates are usually finalised within 6-12 months of the date of death, although the sale of a property can often delay finalisation.

With more complex estates, the timescale can extend well beyond 12 months and the number of hours can increase significantly. For example, if the Estate is subject to inheritance tax, this increases the timescale as correspondence will be required with HMRC.