

MILNE MOSER

SOLICITORS

PROBATE: ADDITIONAL INFORMATION ABOUT COSTS

Fee Information for Non-Contested Probate Matters

At the outset, it is often difficult with probate matters to give an exact figure for the costs involved, because this very much depends upon the amount of, and type of, work involved.

Both solicitors in the Private Client Department, Fiona Ward and Hilary Widdall, have hourly rates of £200 + VAT per hour (£240 per hour inclusive of VAT). Fiona and Hilary specialise in private client work (estates, trusts, powers of attorney and Wills). If the deceased appointed the Partners in the firm to be their only Executors, then the hourly rate is increased to £250 + VAT per hour (£300 per hour inclusive of VAT).

The costs and timescales involved depend on a multitude of factors, which may include:

- liability to inheritance tax;
- a property is to be sold;
- there are multiple gifts and/or beneficiaries;
- there is no surviving spouse;
- there are agricultural and/or business assets;
- there are trust assets;
- an Attorney is acting on behalf of an incapacitated Executor;
- the Department of Work & Pensions (DWP) challenge the deceased's eligibility to their lifetime receipt of means-tested benefits.

Administering an Estate

The process of administering an estate can be divided into 4 parts as follows:

1. Gathering the relevant information about the deceased and their assets and liabilities. This usually takes about 4 – 6 weeks.
2. Using this information to prepare the documents required to apply for the Grant of Representation, including HM Revenue & Custom forms. This usually takes a further 2 – 4 weeks.
3. Obtaining the Grant of Representation and gathering in assets so legacies and liabilities can be paid. Once the Grant has been made this usually takes another 3 – 5 weeks if there is no

property to be sold and there are no shares. Shares can take a couple of months to sell and property sales are unpredictable.

4. Finalising the income tax affairs of the deceased and the estate, ensuring all tasks have been completed and preparing the Estate Accounts and making the final distributions. The timescales largely depend on the nature of the assets, but following the sale of a house, it can sometime take a further 2 or 3 months to conclude the estate.

If we agree to act for an Executor in dealing with the administration of an estate this will include:

- Liaising with all asset holders and beneficiaries.
- Calculating and organising payment of inheritance tax.
- Applying for the Grant of Representation.
- Gathering in assets.
- Paying all liabilities.
- Making distributions.
- Drafting Estate Accounts.

Our estimates will not include the legal costs involved in the following:

- Sale of a property.
- Dealing with the DWP should they challenge the estate.
- Tracing missing beneficiaries.
- Deeds of Variation.
- Dealing with Executor disputes.

Examples:

Obtaining a Grant Only

1. Mrs Smith's husband died leaving a Will appointing her as his sole Executor and beneficiary. Mr Smith's assets were all jointly held with his wife apart from an ISA and an investment bond in his sole name. Mrs Smith has been advised by the bank that they would not release these assets to her without the Grant of Probate.

Mrs Smith was able to provide details of date of death values of the assets and liabilities and we assisted her to obtain the Grant for £500 + VAT (£600 inclusive of VAT) plus £155 for the probate fee plus 50p per copy. Had Mrs Smith not been able to supply the details the costs might have been £600-£800 + VAT (£720 - £960 inclusive of VAT).

2. Mr Bloggs' widowed mother died owning significant assets which he thought would result in an inheritance tax liability. We reviewed events following his father's death ten years earlier and calculated the tax liability, organised payment and obtained the Grant of Probate. This took 3 months and cost £1,200 + VAT (££1,440 inclusive of VAT) plus the probate fee of £155 plus 50p per copy.

We are happy to tailor our services to the needs of each client.

Administering a Non-Taxable Estate

3. Mr Jones was not survived by his wife and in his Will he left legacies to his six grandchildren and the local church, and then the remaining estate to his two sons in equal shares.

The estate included a property, a share portfolio and 6 bank accounts, and modest liabilities. Mrs Jones left the bulk of her estate to her husband when she died. The estate was deemed non-taxable. We provided an estimate of £2,000 + VAT (£2,400 inclusive of VAT) plus the probate fee of £155 plus 50p per copy.

Administering a Taxable-Estate

4. Mrs Harry was a wealthy widow who died leaving an estate which was liable for inheritance tax. She had a property which took 9 months to sell and assets held with 15 different organisations. She and her husband had no children, so she left her estate to three charities and her twelve nephews and nieces.

An accountant dealt with the final income tax return and the return for the estate. We provided an estimate of £9,000 + VAT (£10,800 inclusive of VAT) plus the probate fee of £155 plus 50p per copy, and it took 13 months to conclude.

Administering an Estate where the Deceased benefitted from assets held in Trust

5. Mr Tom died with a modest estate but during his life he received the income from trusts which had been established by each of his parents. The presence of the life interest trusts resulted in an inheritance tax liability. We acted for the Executors and the Trustees of the two trusts.

One trust contained a portfolio of shares and the other a property. There were ten beneficiaries who received a share of the trust funds after Mr Tom's death. The estate costs were £4,000 + VAT (£4,800 inclusive of VAT) plus the probate fee of £155 plus 50p per copy, and the costs for dealing with the termination of the trusts were £4,000 + VAT (£4,800 inclusive of VAT) and £2,500 + VAT (£3,000 inclusive of VAT) respectively. It took two years to conclude, due to the delay in the sale of the trust property.

At the outset we will give you an estimate of the costs and the time it will take to deal with your matter, depending on the factors involved. We keep a close eye on our time recording which is based on our hourly rate. This firm does not charge a percentage of the overall estate as many other firms do. As our work in progress approaches an estimate, we will always let you know. We like to be realistic and upfront about our costs so that there is no surprise to our clients.

Disbursements including in this fee:

- Probate application fee currently £155 plus 50p per copy.
- Between £5 and £7 Swearing of the Oath (per executor).
- Bankruptcy searches (£2 per beneficiary).
- If needed, £220.08 for a Public Notice in The London Gazette and a local newspaper – which protects executors against unexpected claims from unknown creditors after 2 months.

Disbursements are costs related to your matter that are payable to third parties, such as Court fees. We handle the payment of disbursements on your behalf to ensure a smoother process.

Potential additional costs

- If there is no Will or the estate has share holdings (stocks and bonds) there is likely to be additional costs that could range significantly depending on the estate and how it is to be dealt with. We can give you a more accurate quote once we have more information.
- Dealing with the sale or transfer of any property in the estate is not included.

For more information about our probate services, please call (01539) 729786, or email solicitors@milnemoser.co.uk