

MILNE MOSER

SOLICITORS

PROBATE: ADDITIONAL INFORMATION ABOUT COSTS

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. However, we will endeavour to provide clients with a realistic estimate as soon as we know the individual factors involved in a person's estate.

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.

Work is charged at an hourly rate in accordance with the experience of the person conducting the work. Our rates are currently:

Solicitor Legal Executive (8 + years' experience)	£300.00 - £350.00
Solicitor Legal Executive (4 + years' experience)	£250.00 - £300.00
Assistant Solicitor Legal Executive	£150.00 - £250.00
Trainee Solicitor Trainee Legal Executive Paralegal	£120.00 – £150.00

If the deceased appointed the Partners in the firm to be their only Executors, the hourly rate applied is £350 + VAT per hour, to reflect the additional personal involvement and risk that each of the Partners undertake.

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. Once the required forms have been submitted to HMRC an authorisation code is provided. This can take 3 to 4 weeks. The application for the Grant may proceed once the code has been received.
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. This can take longer depending upon whether formal or informal returns are required and speed of response or queries raised by HMRC.

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 £600 + VAT (£720.00) plus probate fees. Had Mrs Smith not been able to supply the details the costs might have been £750 - £900 + VAT (£900.00 - £1,080.00).
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 (£1,440.00) plus the probate fees.

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 £2,400 + VAT (£2,880.00) plus the probate fee.

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 £10,800 + VAT (£12,960.00) plus the probate fee, 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 £4,800 + VAT (£5,760.00) plus the probate fee, and the costs for dealing with the termination of the trusts were £4,800 + VAT (£5,760.00) and £3,000 + VAT (£3,600) 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.

Common disbursements incurred are as follows:

- Probate application fee currently £536.00 plus extra £2 per copy

- Electronic Identity Check & Onboarding Fee £30.00 per client (£25.00 + £5.00 VAT)
- Electronic identity check for beneficiaries prior to distribution £14.40 (£12.00 plus VAT) per beneficiary
- Bankruptcy searches prior to distribution per beneficiary £7.80 (£6.50 plus VAT)

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 or disbursements:

- If a beneficiary is residing in a foreign country a bankruptcy search may be required in their country of residence prior to distribution. We obtain a quote on your behalf if this search is required but it usually costs in the region of £50 to £100 plus vat depending upon the country of residence.
- If there is no Will then the estate will be distributed according to the Rules of Intestacy and the deceased's family tree. We may instruct a research company to assist, prepare a family tree and trace beneficiaries. The cost of this will depend upon the circumstances of the estate, a quote will be obtained, and options discussed with you.
- If a beneficiary exists, but their whereabouts are not known then we may instruct a tracing agent to assist. The costs of this will be dependent upon the specific circumstances and a quote will be obtained and options discussed with you.
- If a beneficiary cannot be traced, we may obtain insurance to indemnify you and the estate. The costs of this will be specific to the circumstances, a quote obtained, and options discussed with you.
- If needed, £200.00 to £300.00 for Trustee Act notices, which are a Public Notice in The London Gazette and a local newspaper. These protect executors personally against unexpected claims from unknown creditors after 2 months. If required, we obtain a specific quote for you from the provider.
- If there is no Will or it is unclear whether the Will held is the last and final Will then a Will search could be required. A certainty Will search costs £140 plus vat.
- If the estate has share holdings (stocks and bonds) there can be additional costs that could range significantly depending on the estate and how it is to be dealt with. For example, there may be fees payable to the Share Registrar when selling or transferring shares including indemnity fees payable where share certificates have been lost. There

range from £25 to £200 depending upon requirements. There may also be commission charged when selling via a broker or registrar and this depends upon the sale price.

- Dealing with the sale or transfer of any property in the estate is not included within fees estimated and a further estimate would be provided.