

## Estate Administration Cost Information

We understand that our clients would like an idea of our costs to obtain a Grant of Representation and administer an Estate at the earliest opportunity. We believe it is important to be as clear as possible as to the likely costs from the outset of the matter.

However, we also recognise that each Estate is different and can vary in complexity. In light of this, it will be necessary for a member of our team to speak with you to establish a number of facts, including:

- The family history or circumstances
- The number and type of assets, liabilities, debts and income belonging to the deceased
- Whether the Estate is taxable
- Whether or not the deceased left a Will
- Whether the Will sets up a Trust or the deceased created or benefited from Trusts during their lifetime
- Whether any element of the deceased's affairs are contested
- Whether there are foreign assets or liabilities
- Whether a Deed of Variation is required

We charge on a time-spent basis, which means that our cost estimate can evolve as the matter progresses. We attempt to anticipate the costs based on the information that we are given at the outset of the matter, but it is often the case that situations arise during the course of the administration process, which are likely to be outside our initial estimate of costs. In the event it becomes apparent that more work is required than originally anticipated, resulting in potential costs outside our initial estimate, we will seek instructions to proceed at the earliest opportunity.

In order to tailor our services to each client and Estate, we offer to assist with the full administration process, or just as much as you require. For example, we offer a fixed fee interview for a one-off discussion about your matter and the options available to you (£150 + VAT), ad hoc on-going advice (charged on an hourly rate basis) and a grant-only service (see 'our estimate of costs' below).

### **Our Estimate of Costs**

To give you an idea of what we might expect our costs to be for administering an average, simple and straightforward Estate, we can give you the following information.

We anticipate that it will take approximately 10 to 20 hours of work to obtain the Grant of Representation. Based on an hourly rate of one of our fee earners of £300 + VAT, this amounts to between £3,000 and £6,000 + VAT and approximately 10 to 15 hours to administer the Estate which amounts to between £3,000 to £4,500 + VAT. Therefore, we estimate that the total cost will be between £6,000 and £10,500 + VAT. Our costs may be lower or higher, depending on what the Estate comprises of and the level of work you would like us to carry out for you.

We are also required to undertake various checks to satisfy the Anti-Money Laundering Regulations and the Financial Sanctions Regime. This means that we will undertake Electronic Identity searches on all executors and beneficiaries of the estate. The cost of this is £5.00 plus VAT per search. We are required to conduct new searches on a yearly basis, if the matter has not concluded before then.

We will conduct the following work within this estimate:

- Notification of death to organisations with which the deceased:
  - held an asset
  - received services from
  - owed a debt to, or
  - was in receipt of income from
- Ascertaining the extent of the Estate (including jointly-owned assets)
- Obtaining date of death valuations and determining the total value of the Estate
- Preparing and submitting the relevant Inheritance Tax return forms and schedules
- Arranging payment of the Inheritance Tax due
- Preparing form PA1P or PA1A and applying for the Grant of Representation
- Closing any accounts and obtaining the closing balances and/or arranging the sale of investments
- Settling liabilities and debts owed by the Estate
- Drafting Estate Accounts showing the financial position during the Estate's administration
- Preparing and submitting or arranging for an Accountant to submit on your behalf Income and Capital Gains Tax Return Forms for the administration period
- Obtaining clearance from HM Revenue & Customs in respect of Inheritance, Income and Capital Gains Taxes
- Arranging distribution of the Estate in accordance with the terms of the Will or rules of intestacy

There are a number of different circumstances that affect our estimated costs. We have identified some of those that will increase the time required to be spent on administering the Estate, and therefore potentially increase our fees.

- There is no valid Will or the Will is contested
- Registering the death and arranging the funeral services
- Beneficiaries needing to be traced and located
- There are existing disputes between the executors and the beneficiaries
- There is more than one property to deal with
- The Estate includes share holdings (stocks and bonds)
- There are intangible or foreign assets
- There are more than five residuary beneficiaries and/or ten legatees
- There are disputes between beneficiaries on division or ownership of assets
- There are lifetime gifts to be declared to HM Revenue & Customs for Inheritance Tax purposes
- Claiming Business Property or Agricultural Relief for Inheritance Tax purposes
- Claiming loss on the sale of shares or property during the administration period
- There are unexpected requirements from asset holding organisations to release funds or proceeds
- Inheritance Tax must be paid from several different accounts or investments
- Dealing with associated Trusts and/or Trusts created by the Will

### **Potential additional costs**

During the administration process, circumstances may arise where we need to refer to other departments of the firm for their specialist advice. Examples of such circumstances include:

- Where a claim is made against the Estate under the Inheritance (Provision for Family and Dependents) Act 1975 ('1975 Act'), the executor is required to act in a neutral capacity. If you would like our firm to act on behalf of the executors in litigation proceedings, this will be dealt with by our Dispute Resolution team.

- Where a claim is made as to the validity of the Will. If you would like our firm to act on behalf of the executors in litigation proceedings, this will be dealt with by our Dispute Resolution team.
- Dealing with the sale or transfer of any property in the Estate. If you wish our firm to act on behalf of the executors in the conveyancing, this will be dealt with by our Property team.

### **Disbursements (not included in our fee)**

Disbursements are the costs arising which are payable to third parties, some of which are mandatory and others are optional. We handle the payment of the disbursements on your behalf to ensure a smoother process and to protect your interests.

### **Mandatory Disbursements**

- The Court issue fee to apply for Grant of Probate, for estates valued over £5,000, is currently £300.00 plus £16.00 for each additional paper copy that you require.

### **Other Disbursements**

- Fees for providing formal date of death valuation of:
  - Property - the cost of which range between £250.00 plus VAT and £450.00 plus VAT
  - Household goods and personal belongings - the cost of which range between £100.00 plus VAT and £300.00 plus VAT or a percentage of the value of the items; and
  - Stocks and shares - the cost of which range between £50.00 plus VAT and £100.00 plus VAT
- A Trustee Act Notice fee for placing a notice in the London Gazette and local newspaper advertising for claimants of the Estate. These costs range from £150.00 plus VAT to £350.00 plus VAT, depending on the locality and newspaper
- National Wills Register search fee for searching the national will database for all wills made and registered by the deceased. There are three types of searches which vary in price ranging between £58.80 and £126.00 (inclusive of VAT) and offer different services, depending on your requirements
- A Bankruptcy Search fee which will be incurred on distribution to legatees and residual beneficiaries to protect the estate from any claims by a Trustee in Bankruptcy. These cost £6.00 + VAT per person in the UK and can vary for international searches
- Land Registry Office Copy entries relating the title of a property. These cost £7.00 plus VAT per search
- Accountant fees instructed to prepare and submit the income tax return on behalf of the executors. The fees range between £250.00 plus VAT and £1,500.00 plus VAT depending on the nature of the estate
- Stockbroker fees to sell shares on behalf of the executors usually advised where a large share portfolio is. The costs can vary depending on the transaction value and are usually subject to a minimum cost; and
- Shareholder Registrar administration fees vary depending on the Registrar.

### **Timescales**

On average, we estimate it will take between 12 to 18 months to administer a simple and straightforward Estate from start to finish. Typically, it takes between 4 to 8 months to obtain the Grant of Representation and a further 6 to 12 months to finalise the administration process which includes collecting assets, paying liabilities and debts, accounting to HM Revenue & Customs for Income and Capital Gains Tax and distribution.

These timescales take into account our advice to executors to wait for 10 months after the date of the Grant of Representation before the Estate is distributed. This advice allows for the period in which any claims against the Estate under the 1975 Act must be made.

The 1975 Act provides that claims must be made within six months of the date of the Grant, and it is considered best practice to wait ten months to allow time for any claims filed at court but unserved on the executors.

If an executor is the sole residuary beneficiary or the executors consider the risk of a claim being made against the Estate minimal, they may decide to proceed with distribution of the Estate sooner than ten months after the date of the Grant of Representation, as advised by us. In this case we would anticipate the administration to be finalised within 12 months of the date of death.

It is possible, in some circumstances, that the administration of the Estate can be completed sooner than 12 months after the date of death. However, in the event that unexpected complications arise, it may take longer than the estimated timescales given above. Either way, we recognise that it is important to our clients that they are kept informed of our continual progress. We endeavour to update timescales if it becomes apparent that our initial estimates may change.

## Our Team

Our team has many years of experience in delivering high quality work in all Private Client matters.

We have nine members of the team who may work on your matter. The team is supervised by Partner and Head of Private Client, David Lea.

Team Member	Position	Hourly rates
<a href="#">David Lea</a>	Partner and Head of Private Client	£395.00 + VAT
<a href="#">Emma Houghton</a>	Partner	£370.00 + VAT
<a href="#">Lisa Maley</a>	Partner	£370.00 + VAT
<a href="#">Joanna Fildes</a>	Associate Solicitor	£345.00 + VAT
<a href="#">Victoria Seaman</a>	Private Client Executive	£345.00 + VAT
<a href="#">Iain Reed</a>	Solicitor	£315.00 + VAT
<a href="#">Charmaine Feagan</a>	Solicitor	£315.00 + VAT
<a href="#">Anita Denton</a>	Paralegal	£210.00 + VAT
<a href="#">Dawn Cook</a>	Paralegal	£210.00 + VAT
	Trainee Solicitor	£210.00 + VAT

1