

## **HHB – GUIDE TO PROBATE COSTS**

### **The Probate Team**

Our probate work is carried out by Hannah Finnegan, a solicitor at our Moseley office and James Norton who is a consultant solicitor based at our Acocks Green office.

### **Probate and Estate Administration Prices**

The prices stated below relate to Estates where there is no dispute regarding the will or any other matter and where no claim is anticipated against the estate under the Inheritance (Provision for Family and Dependents) Act 1975.

### **Applying for Grant of Probate/Letters of Administration Only**

When someone dies, it is usually necessary for one or more persons to apply to the Probate Court for authority to administer the estate. If there is a will and the executors are willing to act, then authority given by the court to the executors will be a Grant of Probate. If there is no will or there is no executor willing to act, the authority given by the Court will be a Grant of Letters of Administration which will normally be made to one or more of the persons entitled to the Estate. The persons authorised by the Court to deal with the estate by the Grant of Letters of Administration are known as Administrators. This service is when the client has provided all of the necessary information to enable the application to proceed. We will rely upon the information provided to us by the Executor(s).

Our service will include:

- Meeting with the executors or proposed administrator of the estate to discuss what the application involves and advising them about what is required;
- Preparing the necessary forms relating to the application and arranging for the executors to sign
- Submitting the application forms to the Probate Registry;
- Sending the Grant of Probate or Letters of Administration to the executor or administrator in order for the Executor or Administrator to deal with the administration of the Estate

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**We charge a fixed price for these services as follows:**

| Type of Matter   | Fixed Price   |
|--|---|
| When there is no Inheritance Tax to pay and it isn't necessary to complete an Inheritance Tax account IHT400 | Price £800.00 VAT<br>£160.00<br>Plus Court fee &<br>other<br>disbursements  |
| Where an inheritance tax account IHT400 is necessary but there is <b>no</b> inheritance tax to pay           | Price £1500.00<br>VAT £280.00<br>Plus Court fee &<br>other<br>disbursements |
| Where an inheritance tax account IHT400 is necessary and there <b>is</b> inheritance tax to pay              | Price £1700.00<br>VAT £320.00<br>Plus Court fee &<br>other<br>disbursements |

### **Applying for Probate/Letters of Administration and Administering the Estate**

We are able to deal with all aspects of the administration of an estate including the following:

Meeting with the executors or proposed administrators in order to ascertain what is involved in the estate, advise on the administration process and the duties and responsibilities of an executor/administrator;

- Contacting financial institutions such as banks and building societies with a view to establishing the assets of the estate and obtaining valuations;
- Notifying pension providers;
- If necessary, contacting creditors of the estate to provide timescales as to when payment of any outstanding debt will be made;
- Obtaining valuations of properties and shareholdings;
- Preparing the application for the Grant of Probate/Letters of Administration
- Preparing the inheritance tax account IHT400, calculating any Inheritance Tax that has to be paid and agreeing with you as to how payment is to be made
- Registering the Grant of Probate with all of the relevant financial institutions so that accounts and investments can be encashed or transferred;
- Paying the debts of the estate including the funeral invoice from the assets in the Estate;
- Notifying the beneficiaries of their entitlement
- Dealing with any matters raised by HM Revenue and Customs in relating to the inheritance tax account
- Considering any income tax and/or capital gains tax affairs of the estate and advising as to most appropriate way to proceed
- Paying any legacies or dealing with the transfer of any assets specifically gifted to a beneficiary by the Will;

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- On the completion of the administration of the estate, preparing a set of accounts and making payments to the beneficiaries;
- Instructing other professionals where necessary to assist with the administration of the Estate.

Our charge for dealing with the aspects of the estate detailed above will be based on the time that we spend on the matter. Our hourly charging rate for this type of work is currently £250 plus VAT.

Every Estate is different and we understand that in some cases, our clients may not require all aspects of the service detailed above but may require our assistance on certain matters. When we are asked to assist, once we have sufficient information from you as to what you would like us to do we will be able to ascertain how much time we are likely to spend on the matter. We will then provide you with a clear estimate of the expected overall fee that is specific to your matter. Additionally, in some cases, we will offer our clients the option of a fixed fee.

We anticipate that our fee for dealing with both the administration of the estate and the application for the Grant of Probate/Letters of Administration will be within the following ranges:

| Type of Matter   | Our Range of Fees  |
|--|--|
| 1. Dealing with the administration of the estate and the application for the grant where there is <b>no</b> inheritance tax to pay | Depending on what you ask us to do and the size and complexity of the estate this will normally involve between 12 and 38 hours of work and our fee would range from £3000 + VAT of £600 (i.e. £3600.00 in total) to £9500 + VAT of £1900.00 (i.e. £11,400.00 in total)        |
| 2. Dealing with the administration of the estate and the application for the Grant where there <b>is</b> inheritance tax to pay    | Depending on what you ask us to do and the size and complexity of the estate, this will normally involve between 35 and 75 hours of work and our fee would range from:<br><br>£8750 + VAT of £1,750 (i.e. £10,500 in total) to £18,750 + VAT of £3,750 (i.e. £22,500 in total) |

The exact cost will vary from case to case and will depend on the individual circumstances of the matter and what we are asked to do. For example, in 1 above, if there were just three bank accounts and two beneficiaries then our fee will be at the lower end of the range stated. If in 2 above, if you needed us to deal with all aspects of the administration, there

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were multiple bank accounts, shares and investments, agricultural and business property and more than 6 beneficiaries then our fee will be at the higher end of the range stated.

In some Estates, if the estate is extremely simple then our fee may be lower than the range stated.

### Possible Additional costs

The administration of an Estate may become more expensive than the fees stated in the following circumstances:

- The terms of the will are unclear and ambiguous;
- The original will is lost or damaged
- The estate consists of large portfolios of properties and/or shareholdings;
- Asset valuations or claims for exemptions and reliefs are disputed by HMRC;
- Dealing with property or assets outside of England and Wales;
- Where there are Family Trusts;
- Where there have been significant gifts before death that must be declared for inheritance tax purposes;
- Selling or carrying on a business
- The estate is insolvent or there are a very significant number of debts
- The whereabouts of one or more of the beneficiaries is not known

### Fees charged by third parties

In addition to our prices detailed above, the following amounts may also be payable to third parties:

| Third party Payments  | Amount  |
|---|---|
| Probate Court Fee*  | £300.00 including 10 individual sealed copies |
| Bankruptcy Search Fees*   | £2.00 per beneficiary                         |
| Statutory Notices in the London Gazette and a local newspaper (these are sometimes necessary to protect executors against claims from unknown creditors)* | Approximately (£300.00-£350.00)               |

\*Subject to change

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### **Inheritance Tax**

If the whole of an estate is left to a husband/wife or charity, there should be no inheritance tax to pay. Where more than £325,000 is left to other parties there may be inheritance tax to pay. However, there may be allowances that can be claimed which can reduce or even avoid the inheritance tax altogether. Once we have sufficient information from you, we will provide you with an estimate of the tax payable. There are additional considerations where lifetime gifts have been made by the deceased.

### **Conveyancing work**

All conveyancing work for the sale of a property forming part of an estate will be charged separately in accordance with our Conveyancing prices

### **Timescales**

If you require us to prepare an application for a Grant of Probate or letters of Administration and nothing else then from the time that we have all the information to draft the necessary forms the Grant will normally be issued by the Court within the following timescales:

- Where there is no inheritance tax to pay and no inheritance tax account IHT400 to prepare – 16 weeks
- Where it is necessary to complete an inheritance tax account IHT400 – 16 – 20 weeks

If we are asked to deal with all or most aspects of the administration of an estate, then this will take longer however we anticipate that most estate can be settled within 12 months from the date of death.

The timescales stated vary depending on the circumstances, for example if there is a property to sell, this can have a bearing on how quickly the estate can be administered. Dealing with third parties can also have an impact on the timescale of administering an estate, for example, HM Revenue & Customs can take several months to consider an Inheritance Tax account.