

### **Administration of Estates – Costs and Timescale**

We understand that dealing with the administration of an estate can be a difficult task, often at an emotional time. The work involved in dealing with the affairs of a person who has died can also vary significantly depending on the assets and liabilities involved. We are here to provide help and support, with a bespoke service which meets the individual needs and aims of each client.

Due to the varying nature of work required in the administration of an estate, it is difficult to give general estimates for the costs which will be involved. We do not charge fees fixed by reference to the value of the estate, because in our experience this can lead to unfairly higher costs for straightforward but high value estates. Instead, we charge by reference to the time spent carrying out the work required in accordance with our fixed hourly rates.

Our fee structure allows our clients to take control of their costs, instructing us to do as much or as little as is required in their specific circumstances. We can carry out all tasks required to administer an estate from start to finish, carry out discrete tasks such as preparing the application for a Grant (the document which names the personal representatives authorised to deal with the estate assets), or offer support and advice on an ad hoc basis as and when required.

The hourly rates of the fees earners in our Private Client Department are as follows:

- Charlotte Searle (Partner): £340 plus VAT
- Shelley McPherson (solicitor): £295 plus VAT
- Lisa Rivers (team leader/case manager): £225 plus VAT
- Abbi Cairns (trainee solicitor): £225 plus VAT
- Claire Ralf (administrative assistant): £125 plus VAT

Charlotte Searle is a solicitor, Trusts and Estates Practitioner (TEP), full member of the Association of Contentious Trust and Estate Practitioners (ACTAPS) and a full member of Lifetime Lawyers.

There may be costs in addition to our legal fees, known as disbursements. We will advise on the likely costs of any applicable disbursements at the outset of instructions or as soon as they become relevant. If a property needs to be sold or transferred, separate conveyancing costs might also be involved.

To give a general overview of the costs which might be involved in the administration of an estate, some example estimates are set out below. However, as the costs in each case will depend on the actual work required, please do contact us to request an estimate specific to your circumstances. We will provide a full breakdown of the work done at the end of every matter.

### Straightforward application for a Grant only

Where there is a valid Will, the client has already ascertained the values of all the assets and liabilities in the estate and there is no inheritance tax to pay, our costs to prepare the application for a Grant (i.e. to prepare the HMRC forms and the application to the Probate Registry) might be around £950 - £1,500 plus VAT plus disbursements. These costs do not include any further work required to administer the estate after the Grant has been obtained.

### Complex application for a Grant only

Where inheritance tax is payable, the estate is of high value and/or there are significant lifetime transactions which need to be accounted for, more work is usually required to obtain the Grant. If the client has already ascertained the values for the assets and liabilities and any other relevant information required by HMRC, our costs to prepare the application for the Grant (i.e. to prepare the IHT400 and supplementary forms and make the Probate Registry application) might be around £1,500 - £3,000 plus VAT. These costs do not include any further work required to administer the estate after the Grant has been obtained.

### Straightforward full administration

Where assistance is required with identifying and valuing assets and liabilities in the estate, preparing the application for the Grant, collecting in the assets and paying the liabilities, preparing full estate accounts and making distributions to beneficiaries, the costs will vary depending on the number of assets and liabilities and the number of beneficiaries. For a very simple estate, for example where there is one property and a few bank accounts, the overall costs might be around £2,000 - £4,000 plus VAT plus disbursements. If there are more assets and/or liabilities and numerous beneficiaries, the costs are likely to vary between around £4,000 - £8,000 plus VAT plus disbursements.

### Complex estate full administration

For complex estates involving numerous assets, with assets located in other jurisdictions, or where formal tax returns for the administration period are required (e.g. if the estate is worth more than £2.5m, there is more than £10,000 of income tax or capital gains tax due or where an asset worth more than £500,000 has been sold), the work involved will take longer. The costs for dealing with the full administration in a complex case are likely to start from £8,000 plus VAT.

### Disbursements

Disbursements might include the Probate Registry fee for the Grant (currently £300 plus £16 for additional copies of the Grant), Land Registry fees (usually around £7 per property for straightforward title searches) and an estate management system fee (£99.50 plus VAT). We are also obliged to carry out identification/sanctions list/anti-money laundering checks on our clients, the deceased and beneficiaries of the estate, which incur a fee of £7.60 each. These disbursements are not subject to additional VAT.

## Contested estates

Disputes do sometimes occur during the course of an administration, typically involving issues such as: the validity of the Will; the identity of beneficiaries; the duties and identity of executors; the way in which estate assets have been managed and handled throughout the administration of the estate; and the interpretation of the Will. Claims under the Inheritance (Provision for Family and Dependents) Act 1975 can also arise. We are experienced at dealing with these types of disputes and claims. If a dispute or claim does arise, we will advise you on next steps and costs as soon as possible. Our costs are charged in the same way as for the general administration of the estate, being calculated simply by reference to the time spent carrying out the work required in accordance with our hourly rates.

## Time Frames

The time that it takes to administer estate will depend on a number of factors including the type and number of assets and liabilities in the estate and how quickly HMRC and the Probate Registry are dealing with their caseloads. In straightforward cases we aim to prepare and apply for a Grant within 2-4 weeks of receiving all the required information to complete the application. It takes HMRC around 5 weeks to review the forms which are completed to report the value of the estate for inheritance tax purposes (if required). Following on from that, we are not permitted to chase the application for the Grant for a period of 16 weeks after that is sent to the Probate Registry. However, the Grant is often issued well within that period. These are guidelines and the actual time it takes HMRC and the Probate Registry to complete their reviews of the required paperwork and for the Grant to be issued can vary considerably depending on the time frames being published by HMRC and the Probate Registry at the time of application.

Once a Grant has been obtained, the time it takes to complete the administration of the estate again depends on the specific assets and liabilities involved and the time scale for third parties to action any relevant instructions (e.g. how long the banks take to complete their processes to release funds and/or how long it takes registrars to deal with share sales or transfers). Generally, the asset which takes the longest to deal with is the sale of real property. The time it takes to finish the administration of an estate which involves the sale of a property will therefore depend on how quickly the property can be successfully marketed and sold. There may also be tax matters to deal with, which will be subject to HMRC's working practices at the relevant time.

Although the timeframes for completing the administration of an estate do vary significantly based on the above factors, we keep our clients regularly updated on our progress in administering an estate and we will also chase and manage third parties where appropriate. Our aim is always to complete the administration as quickly and efficiently as possible.

VAT on the costs for the work we carry out is currently charged at 20%.