



## **FEE INFORMATION IN RELATION TO PROBATE WORK**

We offer two fee structures in respect of Probate work which does not involve any element of dispute:

- 1) A fixed fee in respect of applying simply for the Grant of Probate or Administration, and preparing the relevant inheritance tax forms IHT205 or IHT400 (“Grant Only Work”); or
- 2) The fee in respect of acting in the full administration of the estate (“Full Administration”).

The information set out below does not form a binding quote for services but is provided in the hope that it gives our clients or potential clients information about the likely charges for this type of work.

### **Grant Only Work**

As an alternative to acting in the administration of an estate we can simply apply for a Grant of Probate or Letters of Administration (“a Grant”) on behalf of the personal representatives. There are two fixed fee charges in respect of applying for a Grant. These are:

1. Applying for a Grant when a simple inheritance tax (“IHT”) return is required. The fixed fee for this is £500 plus VAT. This fee includes:
  - an initial meeting;
  - preparing the IHT return form IHT205;
  - preparing the grant application for submission to the Probate Registry;
  - attending you for signature of the grant application;
  - making the application to the Probate Registry; and
  - Obtaining the Grant and sending copies to you.

There will be additional costs if we are asked to:

- provide advice about the administration of the estate;
- actively obtain information about the estate for the personal representatives;
- collect assets of the estate;
- distribute the estate; and/or
- prepare forms in addition to the form IHT205 such as a form IHT207;

2. A fixed fee of £1,000 plus VAT will be charged if a full IHT return is required to be completed. This fee includes:

- an initial meeting;
- preparing the IHT400 and supplemental schedules;
- preparing the oath for submission to the Probate Registry;
- attending you for signature of the documents;
- sending the necessary IHT forms off to HM Revenue & Customs (“HMRC”);
- assisting you with third parties if IHT needs to be paid to HMRC;
- making the application to the Probate Registry; and
- obtaining the Grant and sending copies to you.

Disbursements will be charged in addition to our charges. Disbursements are costs related to the matter that are payable to third parties. We will sometimes pay disbursements for our clients to ensure a smoother process and these will then be charged in addition to our own fees. Typical disbursements are:

- probate fee of £155 plus £0.50 per additional copy; and
- £5 to £7 swearing of the oath (per executor or administrator);

On average, estates that fall within the fixed fee are dealt with within one month of us having received the relevant information. If IHT is payable or an IHT form is required then the time estimate increases to between two and three month’s dependent upon IHT payments being made and HMRC processing times.

### **Full Administration**

The exact costs for Full Administration will depend on the individual circumstances of the matter. No one estate is the same as another.

Our costs are charged for by reference to hourly rates and our charges will be at the lower end of the scale if it is a very simple estate to administer and there are a small number of assets and beneficiaries (“a Simple Estate”) but they will be at the higher end of the scale if there are multiple beneficiaries, multiple assets and/or complicated compliance issues to attend to with HMRC regarding inheritance tax (“a Complex Estate”).

We would generally define a Simple Estate as fulfilling the following criteria:

- there is a clear valid Will or undisputed intestacy;
- there is no more than one residential property in the estate;
- there are no more than four bank or building society accounts;
- there are no more than three shareholdings in companies held as investments (this does not include shareholdings in private limited companies);
- there are no more than four beneficiaries;
- there are no business interests;

- there are no foreign assets;
- there is no IHT payable and/or there is no need to submit a full IHT400 account to HMRC;
- Business Property Relief and/or Agricultural Property Relief claims against IHT do not need to be made;
- there are no claims made against the estate by creditors or disappointed beneficiaries
- there are no disputes between beneficiaries or with HMRC.

If the matter is a Complex Estate then our charges are likely to be higher because a more experienced advisor and/or more time to address issues may be required. A Complex Estate is likely to exist when:

- there is trouble locating a Will or there are issues with the wording or execution of the Will;
- the estate consists of substantial shareholdings, multiple bank accounts, more than five bank or building society accounts, residential properties and/or commercial property;
- there are assets that are held in trust or trusts that are treated as forming part of the estate for IHT calculation purposes or we are asked to deal with trusts (like those which hold life insurance intended to fund the payment of IHT);
- there are five or more beneficiaries;
- there is difficulty in ascertaining information about the extent of the estate;
- there are disputes between the executors and/or the beneficiaries or with creditors;
- a Deed of Variation is required by one of the beneficiaries;
- the matter is or becomes contentious;
- there are business or foreign assets to deal with;
- Business Property Relief and/or Agricultural Property Relief claims against inheritance tax need to be made.

Please note that the dealing with the sale or transfer of any residential or commercial property in the estate is not included and is charged for separately as conveyancing work.

The typical costs for Full Administration of a Simple Estate often range from between £850 plus VAT for a simple estate and £3,500 plus VAT for a more complex estate.

Owing to the nature of some of our clients and the experience of our advisors we are often asked to administer Complex Estates. The costs of administering a Complex Estate typically range from between £1,500 plus VAT to £8,000 plus VAT. There are some cases which go beyond this level of cost but these are relatively rare and often involve a substantial level of complexity.

It normally takes between six and twenty five hours work to administer a Simple Estate. A Complex Estate can take anywhere between ten and fifty hours. The overall costs depend upon the hourly rates of the advisor or advisor(s) dealing with the matter.

Our charge out rates range from £105 plus VAT to £200 plus VAT per hour and depend upon the skills, experience and qualifications of the advisor concerned. Details of our Private Client team members and their experience can be found at <https://www.awbclaw.co.uk/our-team/>

Typical disbursements required in the administration of an estate are as follows:

- probate application fee £155 plus £0.50 per copy;
- £5.00 to £7.00 swearing of the oath (per executor or administrator);
- bankruptcy only land charges department searches (£2.00 plus VAT per beneficiary and one for the deceased) and
- £250 to £350 for Trustee Act notices in the London Gazette and local newspaper which protects against unexpected claims from unknown creditors;

There may be other potential additional disbursements depending on the nature of the estate. Examples of these disbursements are:-

- Stockbrokers fee
- Estate agents valuation fee
- Land registry fee if the property is to be transferred
- Chattels valuation fee
- Conveyancing fee on the sale of the property

IHT is not a disbursement. It is a liability of the estate which is deducted before the net value of the estate is calculated for the beneficiaries. We do not fund IHT for our clients.

### **How long will it take?**

On average a Simple Estate will be dealt with within four to six months. Obtaining the Grant usually takes four to six weeks depending on the relevant information being available. This can be delayed when documents are needed from HMRC before needed before the application can be submitted to the Probate Registry.

Once the Grant is obtained, collecting assets then follows which can take between four to six weeks. Assets like a residential property which depend on a purchaser being found can take longer.

We normally advise that estates should not be distributed until six months from the date of the Grant in case there are any claims made by third parties. This issue will be discussed with clients when we take instructions from them. There may be some cases where the estate is delayed because of outstanding issues with HMRC.