

## **BATES & MOUNTAIN - Costs and Services**

### **PROBATE**

We appreciate that this will be a difficult time and if you have been appointed as an Executor to an estate under a Will and need some help understanding your obligations, administering the estate or making an application for a Grant of Probate, please contact us. A Grant of Probate is obtained from the Probate Registry and is a legal document which confirms that the executor has the authority to deal with the deceased person's assets (property, money and belongings) in accordance with the terms of the Will.

If there is no Will (known as dying intestate), the process can be more complicated and incur additional work. An application will need to be made for a Grant of Letters of Administration which appoints an administrator to administer the estate. The administrator is the person who has the legal right to deal with the affairs of the person who has died and is determined by a set order of priority. The administrator will often be a close relative of the deceased. We will be able to provide you with information on the set order of priority for applying as administrator. There may be additional work in ascertaining the beneficiaries who have a legal interest in the estate.

The costs of winding-up the estate will usually be a debt of the estate.

Please see the following links for further information:-

<https://www.lawsociety.org.uk/for-the-public/common-legal-issues/probate/>

<https://www.gov.uk/wills-probate-inheritance>

### **OBTAINING A GRANT OF PROBATE (OPTION 1)**

We can help you through this difficult process by obtaining the Grant of Probate or Grant of Letters of Administration on your behalf (only) on a fixed fee basis if you provide us with the financial information in relation to the estate.

Our fee covers our work in preparing the Inheritance Tax form and application forms for Probate or Letters of Administration and obtaining the Grant based on the financial information you provide to us relating to the estate. This will then enable **you** to administer the estate. Should you wish for our firm to undertake this work and administer the estate on your behalf, please see the subsection 'Applying for the Grant of Probate/Letters of Administration, collecting and distributing the assets' (option 2) below.

#### **Our Fee**

**Fixed fee of £525 plus VAT of £105, totalling £630.**

#### **Stages of the Process**

As part of our fixed fee we will:

- Provide you with a dedicated and experienced probate solicitor/Associate of the Chartered Institute of Legal Executives to work on your matter;
- Identify the legally appointed executors or administrators and beneficiaries;
- Accurately identify the type of application you will require;
- Obtain the relevant documents required to make the application;

- Complete the Application for Probate or Letters of Administration and the relevant HMRC forms (this to include completion of HMRC forms where no Inheritance Tax is payable\*);
- Draft a Statement of Truth;
- Make the application to the Probate Registry on your behalf;
- Obtain the Grant of Probate or Grant of Letters of Administration and send copies to you.

\*If there is Inheritance Tax payable then the work carried out for this element will be charged at the firm's hourly rate (see option 2 below for hourly rate).

### **Disbursements**

There will be some disbursements which will also be required to be paid, when obtaining the Grant of Probate or Grant of Letters of Administration. Disbursements are costs related to your matter that are payable to third parties, such as Court fees. We handle the payment of the disbursements on your behalf to ensure a smoother process.

Typical disbursements include:

- Probate Registry application fee of £155;
- Where any additional copies of the Grant are required, they will cost £1.50 (1 per asset is usually required). A copy has to be supplied to each bank, building society etc.

### **How long will this take?**

On average, once you have provided us with all of the financial information in the estate, preparing the documentation and obtaining the Grant of Probate or Grant of Letters of Administration should take 4 - 6 weeks.

### **Example (Grant of Probate)**

1. Obtaining Grant of Probate:-

- |                                     |                       |
|-------------------------------------|-----------------------|
| ▪ Our Fee:                          | £525;                 |
| ▪ Probate Registry Fee (estimated): | £155                  |
| ▪ Copy of Grant of Probate (one)    | £1.50                 |
| ▪ VAT:                              | £105;                 |
| ▪ <b>Total:</b>                     | <b><u>£786.50</u></b> |

## **PROBATE: APPLYING FOR THE GRANT OF PROBATE/LETTERS OF ADMINISTRATION, COLLECTING AND DISTRIBUTING THE ASSETS (OPTION 2)**

Our Probate department can deal with all aspects of the administration of the estate including ascertaining the size of the estate, obtaining the Grant of Probate or Grant of Letters of Administration, collecting and distributing the assets.

The exact cost will depend on the individual circumstances of the matter and the size of the estate. For example, if there is one beneficiary and one property, costs will be at the lower end of the range. If there are multiple beneficiaries, more than one property, shares and multiple bank accounts, the costs will be greater. In some cases, where the estate is small, a Grant of Probate may not be required.

### **Our Fees**

Our hourly charging rate is £180 plus VAT (currently at 20%) of £36, totalling £216 per hour.

The amount of hours of work required on an average estate, with a straightforward Will, will usually take between 8 and 16 hours (at the above hourly rate). Therefore the costs estimated are £1,440 – £2,880 plus VAT of £288 – £576, totalling **£1,728 – £3,456**.

The exact cost will depend on the individual circumstances of the matter. For example, if there is one beneficiary and no property, costs will be at the lower end of the range and will take less time to complete. If there are multiple beneficiaries, a property and multiple bank accounts, costs will be at the higher end.

Our fee estimate assumes that:-

- This is a standard transaction and no unforeseen matters arise with regard to the information supplied concerning the assets in the estate;
- There is a valid Will;
- There are not multiple bank or building society accounts;
- There are not multiple beneficiaries;
- There are no disputes between beneficiaries on division of assets. If disputes arise this is likely to lead to an increase in costs;
- There are no disputes between the executors/administrators;
- The estate does not have complex arrangements including assets held in a trust;
- There is no Inheritance Tax payable and the executors do not need to submit a full account to HMRC;
- There is no Income Tax or Capital Gains Tax payable;
- The estate is solvent;
- There are no foreign assets or property;
- There is no dispute over the residency of the deceased;
- There are no professional executors (accountants, solicitors appointed as executors);;
- There are no claims made against the estate

Potential additional costs:

- If there is no Will or the estate consists of any share holdings (stocks and bonds) there is likely to be additional costs that could range significantly depending on the estate and how it is to be dealt with. We can give you a more accurate quote once we have more information;
- If any additional copies of the Grant are required, they will cost £1.50 (1 per asset usually);

- Dealing with the sale or transfer of any property in the estate is not included. Please refer to our residential conveyancing costs and services for information relating to those fees.

We can give you a more accurate indication as to fees and likely timescales once we have more information about the estate and have seen you in initial interview.

### **Disbursements and Taxes**

In these types of cases, there are additional disbursements and/or taxes payable. Disbursements are costs related to your matter that are payable to third parties, such as Court fees. Taxes are amounts which may be required to be paid to HMRC. There will be some disbursements which will be required to be paid, when obtaining the Grant of Probate or Grant of Letters of Administration and administering the estate. We handle the payment of the disbursements on your behalf to ensure a smoother process.

Typical disbursements/taxes include:

- Probate Registry application fee of £155;
- Where any additional copies of the Grant are required, they will cost £1.50 (1 per asset is usually required). A copy has to be supplied to each bank, building society etc;
- Land Charges Department searches [Bankruptcy only] (£2 plus VAT per beneficiary);
- Post in The London Gazette (Protects against unexpected claims from unknown creditors) of £83.40;
- Post in a Local Newspaper (this also helps to protect against unexpected claims) of £105 (estimated);
- Inheritance Tax, Income Tax and Capital Gains Tax (if applicable).

VAT is charged on most search fees.

Inheritance Tax is a tax on the estate (the property, money and possessions) of someone who has died. There is a 'threshold' and rules in relation to the payment (if any) of Inheritance Tax. You can calculate the amount you may need to pay by using HMRC's website:- <https://www.gov.uk/guidance/hmrc-tools-and-calculators#inheritance-tax-and-bereavement>

Income Tax may be payable on the estate of someone who has died. This is usually calculated by HMRC.

Capital Gains Tax is a tax on the profit when you sell (or 'dispose of') something (an 'asset') that's increased in value. It's the gain you make that is taxed, not the amount of money you receive. This may be payable on a property or asset in the estate of someone who has died. There are rules in relation to the payment (if any) of Capital Gains Tax. You can calculate the amount you may need to pay by using HMRC's website:- <https://www.gov.uk/tax-sell-property/work-out-your-gain>

However, in a complex estate it may be appropriate to instruct an accountant to advise on the amount payable.

## Stages of the Process

We will handle the full process for you to include obtaining the Grant of Probate or Letters of Administration, collecting the assets and distributing them to the beneficiaries, which means that we:-

- Identify the legally appointed executors or administrators and beneficiaries;
- Accurately identify the type of Probate application you will require;
- Obtain the relevant documents required to make the application;
- Complete the Probate Application and the relevant HMRC forms and liaise with the executors/administrators over payment of taxes;
- Draft a Statement of Truth;
- Make the application to the Probate Court on your behalf;
- Obtain Grant of Probate or Grant of Letters of Administration and register the Grant with the appropriate authorities;
- Collect and distribute all assets in the estate;

## How long will this take?

After the initial appointment with you, on average, estates may take 3-6 months, which typically consists of:-

- Ascertaining the size of the estate and making enquiries about the assets and their value, which may take 4-10 weeks;
- Obtaining the Grant of Probate or Grant of Letters of Administration, which may take 4-6 weeks;
- Collecting the assets, which may take between 2-6 weeks; and
- Distributing the assets, which may take between 2-5 weeks.

However, complex estates which can include say, a number of properties, trusts, partnerships/businesses, land (including agricultural Inheritance Tax calculations) and shareholdings may extend the estate by months or years in these types of estate.

## Examples

1. An estate\* involving the deceased owning a property and bank accounts with 3 different banks – 8 hours – there being one executor:-

▪ Our Fee (8 hours x £180)	£1,440
▪ Court Fee (estimated)	£155
▪ Copies of Grant of Probate (x 4)	£6
▪ VAT	£288
▪ <b>Total**</b>	<b>£1,889.00</b>

2. An estate\* where more assets are involved such as a number of bank accounts, a property, a portfolio of shares, ISA's, life policies – 16 hours – there being two executors:-

▪ Our Fee (16 hours x £180)	£2880
▪ Court Fee estimated	£155
▪ Copies of Grant of Probates (x 10)	£15
▪ VAT	£576
▪ <b>Total**</b>	<b>£3626.00</b>

\* Based on there being no Inheritance Tax liability

\*\* The cost of dealing with the sale of the property in the estate is not included in the total and is charged separately.

## **Who will be dealing with my case?**

### **Andrew Dollery – Partner**

Andrew is the head of the non-contentious department and has over 30 years' experience in residential and commercial property transactions and private client work. Andrew has been working in these areas since he qualified and has helped thousands of clients over the years.

Andrew has vast experience in dealing with complex residential and commercial property transactions.

Andrew specialises in Wills, Trusts and Probate and Lasting Powers of Attorney.

Andrew qualified as a solicitor in 1985 after graduating from Coventry University with a law degree. He joined the firm in 1987 and became a partner in 1991.

### **Jade Watson – Partner**

Jade has gained experience in residential and commercial property, including residential developments and commercial leases.

Jade is also experienced in Wills and Probate and in the preparation of Lasting Powers of Attorney. Jade also assists clients in the preparation of Lasting Powers of Attorney.

Jade joined the firm in January 2017, working in our non-contentious department.

Jade qualified as a solicitor in 2011. She graduated in 2008 with a law degree from Leeds Metropolitan University.

### **Jill Cockerill – Associate of the Chartered Institute of Legal Executives (ACILex)**

Jill has a wealth of experience in residential property transactions and also specialises in Wills and Probate and assists clients in preparing Lasting Powers of Attorney.

Jill also specialises in Wills and Probate and assists clients in preparing Lasting Powers of Attorney.

Jill joined the firm in 1978 and, having left to have a family, re-joined the firm in 1998

### **India Taylor – Legal Assistant**

India joined the firm in 2019 and will assist with residential conveyancing transactions, Wills and Probate and in the preparation of Lasting Powers of Attorney