

COX & HODGETTS

SOLICITORS

solicitors@coxhodgetts.uk T : 01386 442513

Estate Administration

Uncontested cases with all assets in the UK - to include obtaining a Grant of Probate where a person has died leaving a valid Will (testate) or a Grant of Letters of Administration where a person has died without leaving a valid Will (intestate).

Price Information

Our charges will be calculated mainly by reference to the time actually spent by the Solicitor and any other lawyer in respect of any work which they do on your behalf. This may include meetings with you and sometimes others such as accountants, estate agents, etc; reading and working on papers; drafting documents; making and receiving telephone calls, emails and faxes; preparation of any detailed costs estimates and bills; necessary time spent away from the office, i.e., to collect papers from, inspect or meet other professionals at a Deceased's property, to include travelling time.

Routine letters and emails that we send and receive and routine telephone calls that we make and receive are charged at one tenth of the hourly rate. Other letters, emails and calls are charged on a time spent basis.

The current hourly rates are set out below. We will add VAT to these at the rate that applies when the work is done.

- **Partners: £240.00**
- **Solicitors: £230.00**
- **Legal Executives and Residential Conveyancers: £200.00**
- **Trainee Solicitors: £165.00**

These hourly rates will be reviewed periodically to reflect increases in overhead costs and inflation. Normally the rates are reviewed with effect from 1st April each year. If a review is carried out before a particular matter has been concluded you will be informed of any variation in the rate before it takes effect. In cases involving complexity or requiring specialist expertise, an additional charge ("the premium") may be made in addition to the time spent charge. The premium reflects the importance of the transaction and the consequent responsibility falling on the firm. The standard premium chargeable rates are set out below.

- **½% of the value of joint assets**
- **½% of the value of the residence**
- **1% of the remainder of the gross estate**

The amount of the premium is calculated in the light of all the circumstances, for example, taking into account the number of assets in the estate as well as the urgency and complexity of the administration. In appropriate cases an abatement of the premium may be made to ensure a fair and reasonable charge overall.

If for any reason the administration does not proceed to its completion, we will be entitled to charge you for work done on a time spent basis and for the expenses, sometimes called disbursements, incurred.

Disbursements are costs related to your matter that are payable to third parties such as the probate application fee payable to HMCTS (also known as the Probate Registry) (no VAT), bankruptcy search fees (plus VAT) and Trustee Act Notices (incl. VAT). We handle the payment of disbursements on your behalf to ensure a smoother process.

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Cost of Estate Administration

The range of costs set out below are the legal fees and disbursements that we would charge for all work required to complete a standard estate administration to include applying for a Grant of Probate or a Grant of Letters of Administration ("the Grant"), collecting or realising the assets, settling liabilities and administration expenses, preparing estate accounts and distributing the net estate to the beneficiaries entitled. No premium would be charged in connection with the administration of a standard estate which satisfies the assumptions * set out below.

Legal Fees

Between £2,400.00 plus VAT (£480.00) and £2,880.00 plus VAT (£576.00) = £2,880.00 to £3,456.00*

Disbursements

- HMCTS fee to apply for the Grant - £273.00 plus £1.50 per additional copy (usually one copy per asset/institution).
- Fee for Trustee Act Notices with London Gazette and local newspaper (optional) - £200.00 to £230.00 (incl.VAT) (estimated) - to protect against unexpected claims from unknown creditors.
- Land Charges Department fee for bankruptcy searches - £2.00 plus VAT per beneficiary (total £2.40 per beneficiary).

Estimated total between £3,158.40 and £3,741.60 inclusive of VAT *

* Assumptions

The range of fees and the disbursements outlined above are based on the following assumptions: -

- The administration will take between 10 and 12 hours at a charge of £240.00 per hour plus VAT. The exact cost will depend on the individual circumstances of the administration which will determine the amount of time spent dealing with the matter overall. For example, if there is one beneficiary, one to three bank accounts and no property then the legal costs will be at the lower end of the range, however if there are three or four beneficiaries, a property** and multiple bank accounts then the legal costs will be at the higher end of the range;
- Where there is a valid Will the identity and whereabouts of all the beneficiaries entitled under the Will are known to you;
- Where there is no valid Will the identity and whereabouts of all the beneficiaries entitled on intestacy are known to you;
- There is no more than one property**;
- There are no more than three bank or building society accounts;
- There are no other investments, for example, shareholdings or NS&I premium savings bonds;
- There are no more than four beneficiaries;
- There are no disputes between beneficiaries regarding the division of assets. If a dispute arises this is likely to lead to an increase in costs above the initial estimate provided;
- There have been no lifetime gifts over £150,000.00;
- There is no inheritance tax payable, and the executors/administrators do not need to submit a full inheritance tax account Form IHT400 to H.M. Revenue & Customs**;
- There are no claims made against the estate under the Inheritance (Provision for Family and Dependents) Act 1975;
- There is no claim for overpaid benefits by the Department for Work and Pensions; and
- It is not necessary for any tax returns to be prepared or for the estate to be registered with H.M. Revenue & Customs under the Trust Registration Service ("TRS")**

** Potential additional costs

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- If any of the assumptions listed above do not apply there are likely to be additional costs, and possibly disbursements, the amount of which will depend on the additional work required to complete the administration of the estate. We would look to provide a further estimate of such additional charges and/or disbursements when we have more information.
- Please note the cost of dealing with the sale or transfer of any property in the estate is not included in the range of fees and disbursements outlined above. A separate quote can be provided by our Property Department in respect of such work.
- Whether the estate is liable to inheritance tax will depend largely on the value of the estate, any lifetime gifts, the nature of the assets comprised within the estate and the status of the beneficiaries for inheritance tax purposes. Further information is available on the gov.uk website.
- Please note that if tax returns are required or the estate is a “complex estate” requiring TRS registration with H.M. Revenue & Customs, this is not a service we provide. Such work will need to be completed by an accountant whose charges will be additional to those referred to above.

Service Information

All estate administration work within this firm is undertaken by experienced legally qualified Solicitors, namely: -

- Paul Spencer (Solicitor, admitted 2006, previously Legal Executive, admitted 1993); and
- Zoë Dale LLB. (Solicitor, admitted 2003);

Sometimes a Trainee Solicitor will assist under the supervision of one of the Solicitors named above.

How long will the Administration of the Estate take?

On average, estates that fall within the example outlined above should be dealt with within 4 to 8 months. Once all relevant information has been obtained, the application for the Grant will be prepared and submitted to HMCTS which usually takes between 4 to 12 weeks. The Grant is generally issued within 8 - 16 weeks after submission of the application - please refer to gov.uk for current timescale guidance. On receipt of the Grant, we will register it where necessary, i.e., the Deceased's bank, and proceed to collect the assets comprised in the estate which typically takes between 2 to 4 weeks. Thereafter we will discharge any liabilities and administration expenses, prepare an estate account for your approval and, following approval, we will then distribute the assets to the beneficiaries all of which normally takes 4 to 6 weeks.

Stages of the process

The precise stages involved in the administration of an estate vary according to circumstances. We have however set out below some key stages which you should bear in mind.

- Taking your instructions and ascertaining the whereabouts of any valid Will;
- Providing initial advice, including our terms of business and a fee estimate that reflects what we are able to ascertain at the initial stages, regarding the proposed administration;
- Receiving from you all relevant information, to include taking delivery of deeds and other documents, to assist in the identification of all assets and liabilities comprised in the estate;
- On identifying the nature and extent of all assets and liabilities comprised in the estate, preparing the H.M. Revenue & Customs Inheritance Tax Account Form IHT205 (where required) and completing the online HMCTS Probate Legal Statement for your approval and signature;
- Submitting the Probate Legal Statement, Will (where applicable), Form IHT205 (where applicable) and probate fee to HMCTS;
- Receiving the Grant;
- Registering the Grant with the various institutions, i.e., banks, building societies, etc;
- Realising estate assets i.e., closing bank and building society accounts, etc and receiving the estate monies;
- Settling estate liabilities and administration expenses;
- Preparing the estate accounts and submitting the same to you for approval;
- On approval of the estate accounts carrying out bankruptcy searches and distributing the net estate to the beneficiaries.