

PROBATE / ADMINISTRATION COSTS

The exact cost of a probate administration will depend on the individual circumstances of the matter and the value of the estate.

We will provide you with a dedicated and experienced probate lawyer to work on your matter. Our Probate Administration team is made up of three Solicitors, a Chartered Legal Executive and a Legal Associate each with at least 10 years experience in dealing with probate administration. The team is supervised by a Partner, Margaret Collins, who has over 40 years experience working in Probate Administration and Trusts.

We have detailed below the likely costs which would be incurred depending upon the level of administration required. These costs relate to uncontested probate administration (ie. where there is no dispute between Executors or Administrators and beneficiaries and no claims are being made against the estate).

1. NON-COMPLEX ADMINISTRATION:-

- There is a valid will and Brighouses are not appointed Executors;
- Maximum of one property (excluding foreign property);
- There are 1 to 3 bank/building society/investment accounts (excluding foreign assets);
- There are one to three beneficiaries;
- There are no disputes between beneficiaries on division of assets or claims against the estate. If disputes or claims arise this is likely to lead to an increase in costs and a risk with regard to the costs of other parties;

Non-complex administration includes:-

- Obtaining relevant information to make application for the Grant ie. the values of all assets and liabilities with the assistance of Executors or Administrators;
- Payment of funeral expenses;
- Making application for the Grant;
- Contacting all beneficiaries;
- Collection of assets;
- Income tax enquiries and finalisation;
- Protection of Executors or Administrators (if required);
- Drafting estate and distribution accounts;
- Payment of all liabilities;
- Distribution of estate in accordance with the terms of the deceased's will or intestacy provisions.

Costs for non-complex estates (excluding VAT (20%) and disbursements*):-

1. Estates under £325,000: £3,000.
2. Estates over £325,000 but no Inheritance Tax claim for reliefs (due to Inheritance Tax exemptions): £4,000.
3. Estates over £325,000 and full HMRC return required together with claim for Inheritance Tax exemptions: £5,000 minimum fee (an estimate will be provided at the outset and updated once full details of the estate are known).

2. COMPLEX/FULL ADMINISTRATION:-

If a more comprehensive service is required or the estate is complex our fees would be higher and would include all non-complex administration services (see above) together with additional work such as:-

- Income tax enquiries and finalisation;
- Protection of Executors or Administrators;
- Liaising with:-
 - utility providers;
 - pension providers;
 - Government departments (DWP) in respect of pension;
 - Estate agents;
 - all beneficiaries;
 - accountants/financial advisers;
- Setting up trusts for minors.

Costs for complex/full administration (excluding VAT @ 20% and disbursements*):-

1. Estates under £325,000: £4,000.
2. Estates over £325,000 but no Inheritance Tax claim for reliefs (due to Inheritance Tax exemptions): £5,000.
3. Estates over £325,000 and full Revenue return required together with claim for Inheritance Tax exemptions: £5,000 minimum fee (an estimate will be provided at the outset with an updated estimated provided once full details of the estate are known).

3. WHERE BRIGHOUSES ARE APPOINTED EXECUTORS:-

A professional Executor can remove the responsibility of probate administration from family members at a difficult time. Solicitors have specialist knowledge

which can be of benefit especially if the estate is complex or where there is the potential for disputes or claims being brought against the estate.

Claims can be brought against an Executor or an Administrator personally if they mishandle the administration (either intentionally or unintentionally). A professional Executor can offer certainty and they offer indemnity insurance to protect beneficiaries.

However, this type of administration does require a full administration service (see above) and possibly additional work. The level of work required will depend upon whether there are family members on hand to assist the Executors, for example, in registering the death, arranging the funeral, clearing the property, arranging for the marketing of the property, disposing of assets, liaising with estate agents and beneficiaries. It will also be necessary for the professional Executors to protect themselves against future claims from unknown beneficiaries/creditors.

Estimated costs when Brighouses are the Executors (excluding VAT @ 20% and disbursements*):-

1. Estates under £325,000: from £4,000.
2. Estates over £325,000 but no Inheritance Tax claim for reliefs (due to Inheritance Tax exemptions): from £4,500.
3. Estates over £325,000 and full Revenue return required together with claim for Tax reliefs: £5,000 minimum fee.

A provisional estimate will be provided at the outset with an updated estimate provided once full details of the estate are known.

In addition we will charge a percentage of the value of the estate based on the Law Society Guidelines. This charge is 1% of the gross estate (excluding the property) and 0.5% of the property value.

4. GRANT ONLY

We can offer a limited service to obtain the Grant of Probate (or Letters of Administration) only and where there is no Inheritance Tax payable. Our fixed costs for providing such a service are as follows:-

1. If estate is under £325,000 - £1,000 plus VAT and disbursements*
2. If estate is over £325,000 (and no claims for Inheritance Tax reliefs (due to Inheritance Tax exemptions) - £1,500 plus VAT and disbursements*
3. If estate is over £325,000 and Inheritance Tax reliefs need to be claimed - £2,000 plus VAT and disbursements*

This service is only available if the appointed Executors or Administrators provide all relevant information to enable the Grant to be obtained. It does not include additional services, for example, liaising with all beneficiaries, institutions, realising assets, distribution of the assets, protection of Executors or Administrators; preparation of estate accounts or liaising with the Inland Revenue with regard to Income tax or Inheritance Tax queries.

***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 (which can alter from time to time) included in an average administration are:-

1. Probate application fee of £155 (no VAT).
2. If additional copies of the Grant are required the court charge an additional £1.50 (1 copy per asset usually).
3. Bankruptcy-only Land Charges Department searches (£2 per beneficiary plus VAT).
4. S.27 Trustee Act Notice - £166 (approx.) (to advertise in the London Gazette and Local Newspaper – this protects Executors or Administrators and beneficiaries against unexpected claims from unknown creditors).
5. Other disbursements may arise, especially where there are disputes and litigation.

Potential additional costs to those estimated above:-

Additional costs may arise if:-

- If there is no valid will;
- The estate consists of any share holdings (stocks and bonds);
- Foreign assets;
- Numerous properties;
- Tenanted properties;
- Please note that dealing with the sale or transfer of any property in the estate is not included in the probate administration service and we are happy to provide you with a separate quotation for these costs;
- From time to time we may arrange for some of this work to be carried out by persons not directly employed by us (eg. accountants, financial advisers, surveyors).

Charges and Expenses

- We will provide you with an initial estimate of the anticipated legal fees in connection with the administration of the estate.
- The firm's current hourly charging rates range from £180 to £240 per hour (plus VAT at 20%). The rate applicable depends on the seniority of the lawyer.

On first obtaining instructions it is not always clear what the full value and makeup of all the assets and liabilities of the estate are. We therefore propose to let you have an approximate indication of our anticipated legal fees in concluding the administration. When we receive the Grant to administer the estate we will have a detailed picture of the estate and can then confirm the exact charge.

HOW LONG WILL THIS TAKE?

On average, estates that fall within the simple/straightforward range are dealt with in 3-6 months. Typically obtaining the Grant of Probate takes 1-2 months**. Collecting assets then follows which can take a further 1-2 months. Once this has been done we can distribute the assets, which normally takes a further 1-2 months.

Estates of high value and/or those which are complicated or subject to dispute can take considerably longer. In these cases we will provide you with an estimated timescale and update it as necessary.

** At the present time the Probate Registries are experiencing extraordinary delays in processing Grants of Probate (currently one month from the date of application). It is hoped that this will improve in the future and we will advise you of approximate timescales.

HOURLY CHARGE RATES

- These are the firm's general charging rates which will only be applied where matters exceed the scope of our fixed costs or where the matter does not conclude.
- Our charges will be calculated mainly by reference to the time actually spent by the solicitors and other staff in respect of any work which they do on your behalf. This will include meetings with you and perhaps others, reading and working on papers, correspondence, including emails, preparation of any detailed costs calculations, and time spent travelling away from the office when this is necessary. From time to time we may arrange for some of this work to be carried out by persons not directly employed by us. You will be charged at rates not greater than those set out below.
- Routine letters are charged as 6 minute units of time and we charge for the time spent on making and taking telephone calls in 6 minute units and considering incoming letters at units of 3 minutes per page.
- The current hourly rates are set out below. We will add VAT to these at the rate that applies when the work is done. At present, VAT is 20%.

	Hourly Rate £	Letter or Email out £	Letter or Email in £	Telephone Call £
Partners & senior solicitors	240.00	20.00	10.00	20.00
Solicitors	240.00	20.00	10.00	20.00
Senior Legal Executive & Senior Associate	240.00	20.00	10.00	20.00
Junior Legal Executive	215.00	20.00	10.00	20.00
Trainee Solicitors	180.00	20.00	10.00	20.00
Junior Executives	180.00	20.00	10.00	20.00

- These hourly rates have to be reviewed periodically to reflect increases in overhead costs and inflation. Normally the rates are reviewed with effect from 1 April each year. If a review is carried out before this matter has been concluded, we will inform you of any variation in the rate before it takes effect.

31 March 2020

