

THURSFIELDS

Estates Administration

Thursfields' Estates Administration Department has extensive experience in dealing with the administration of assets, on behalf of their Executor clients. The process can be complex and time consuming. During what is an emotionally stressful time, our specialists will listen sympathetically, whilst also expertly leading you through this difficult area. Like other areas of law, some of the language can be confusing. Hopefully, this explanation will make things a bit clearer.

Most people understand that 'Probate' is something to do with sorting out a deceased person's property and this is correct to a certain extent. In a lot of cases, before anyone can deal with a deceased's property, especially a house, they must have the authority to do so. This authority comes in the form of a notice from the Court known as a Grant of Representation.

If there is a will that appoints Executors, this Grant is called a Grant of Probate. If there is no will, or the executors cannot act, it is called a Grant of Letters of Administration. The terms 'Grant of Representation' or 'Grant' and 'Personal Representatives' or 'PR's' cover both.

Our Team

Our Estate Administration Team is made up of CILEX (Chartered Legal Executives) and qualified Solicitors with a range of experience. The Team is led and supervised by Sophie Donovan. For more details of our Estate Administration Team and their experience, please see our individual website profiles.

Our Services

Our Team understand that no two matters are the same. We specialise on providing a tailored service to meet our clients' needs and budget. There is no one size fits all. Our helpful guide below, explains some of the services we offer, and the charges of those services. This is a general guide, and we can adapt this to suit the needs and requirements of those who instruct us. We provide a service that adds value to our clients, acting with compassion and understanding and offering guidance and support throughout.

Grant Only Services

We will obtain a Grant of Representation if the client wishes to administer the estate themselves but needs help with the technical part of the process. This is often a costs effective way of obtaining a Grant for a client where the estate is straight forward.

The fees payable will depend on the work needed to obtain the Grant of Probate and this will vary depending upon what legal documents need to be completed, for example, whether Inheritance Tax is payable or not and if there are any Inheritance Tax reliefs being applied. In addition, standard disbursements will be payable, such as the Probate Court fee (see below for additional costs section).

It can take between 4 to 12 months to obtain a Grant from the Probate Registry. This can vary depending on who is applying for the Grant, and whether the Application can be submitted online. Paper Applications, take considerably longer, and we would anticipate a more accurate timescale of up to a year and a half being more appropriate.

| Grant Only Services | Estimated Fees (excluding Disbursements and expenses) |
|--|---|
| Obtain Grant - No Inheritance Tax is payable, and no account is required to HMRC | £1,250 plus VAT of £250 (gross £1,500) - £1,750 plus VAT of £350 (gross £2,100) |
| Obtain Grant - No Inheritance Tax is payable, but a full account is needed to HMRC | £2,000 plus VAT of £400 (gross £2,400) - £3,500 plus VAT of £700 (gross £4,200) |

What is included?

- A face-to-face interview with a specialist member of our team who will talk you through the process and advise you on what we need to proceed towards drafting the Application for the Grant and Inheritance Tax paperwork.
- Drafting the Inheritance Tax papers and calculating the Inheritance Tax payable, if necessary and submitting the same with HMRC.
- Assisting in ensuring any relevant payments are made to HMRC for Inheritance Tax.
- Drafting the Application for the Grant of Probate and submitting this with the Probate Court.

Additional complications – where there are complexities such as domicile issues (where the deceased lived abroad), or the completion of additional supplementary documents, such as for claims for certain Inheritance Tax reliefs, then we will undertake this extra work on an hourly-rate basis and these additional fees will be in addition to the fees quoted above. Estimates will be provided in advance of the work being undertaken.

Full Estate Administration Service

We can provide a full end-to-end Estates Administration Service which includes obtaining the Grant of Representation on behalf of our client. We calculate our charges for this on an hourly rate basis (see below) and the complexity of the estate informs the estimated fees.

| Full Estate Administration | Estimated Fees (excluding Disbursements and expenses) |
|---|---|
| Simple Estate Administration - Non-Taxable | £3,000 plus VAT of £600 (gross £3,600) to £7,000 plus VAT of £1,400 (gross £8,400) |
| Estate Administration - Inheritance Tax Payable | £5,000 plus VAT of £1,000 (gross £6,000) to £15,000 plus VAT of 3,000 (gross £18,000) |
| Complex Estate Administration | From £12,000 plus VAT of £2,400 (gross £14,400) to £40,000 plus VAT of £8,000 (gross £48,000) |
| Highly Complex Estate Administration | From £15,000 plus VAT of £3,000 (gross £18,000) |

Simple Estates

This would be a matter where there is Inheritance Tax to pay. It may be however, that an account to HMRC is needed, which is the reason for the bracket of costs, as this takes into account the various scenarios which may exist when applying the various Inheritance tax relief.

Key Stages of an Estate Administration

The key stages show a guideline of the work involved. If some of those stages are not needed, then the time spent will be reduced and the cost will reflect this.

- Making full enquiries as to the extent of the assets and any liabilities in the estate. This would include writing to Banks, Building Societies, Share Holders and Financial Advisers,
- Reviewing and consulting with Pension Assets,
- Liaising with the Utility Companies associated to any property or properties in the estate.
- Checking title deeds to confirm ownership,
- Arranging Market Appraisal to value a property or properties,
- Identifying beneficiaries or those named in the Will,
- Collecting in assets and determining their value,
- Correspondence with our clients through the process,
- Drafting and submitting the Probate application,
- Reporting the estate to HM Revenue & Customs (when an inheritance tax return is required)
- Dealing with Capital Gains Tax/Income Tax matters (where relevant this may involve instructing an accountant, whose fees will be in addition to our own),
- Discharging any Estate Liabilities,
- Distribution of the estate assets and the preparation of final estate accounts. This includes making the relevant financial checks against beneficiaries.

When Inheritance tax is due and Complex Estates

When Inheritance Tax is payable, there are additional considerations to consider, including applying any reliefs and calculating the sums due to HMRC. Work involved would also include making arrangements for the Tax to be paid and requesting clearance from HMRC on the conclusion of the Estate Administration to protect the client's liability for tax.

Added complexities may be when an estate involves Business or Farming Assets, and/or when Wealth Management and complex Tax Advice is required. A complex Estate may also include Estates where there are overseas assets, or complex Intestacy issues (where a person dies without a Will and the family are unknown)

What will make a case more complex?

- If there are a larger number of beneficiaries and/or beneficiaries who cannot easily be identified,
- If there are a large number of assets – a straightforward estate would have a sole property and a couple of bank accounts,
- If there are overseas properties, agricultural or business assets or private company or publicly traded shares where valuation is not straightforward or dealings with Registrars become drawn out,
- If there are delays in receiving responses to our correspondence to clients, beneficiaries or other third parties.
- Arranging for house clearances,
- Managing and insuring unoccupied property,
- Involvement in family trusts or complex pensions arrangements,
- Assets where the historic ownership is unclear,
- The frequency of communication required by our clients and the beneficiaries of the estate will have an impact on our fees; an estate with many beneficiaries requiring regular contact will lead to higher fees than an estate with one beneficiary requiring infrequent contact.
- Inheritance Tax issues may increase the overall complexity of administering an estate.

- Dealing with third party issues or disputes HMRC may question the value of the estate assets submitted/the Department for Work & Pensions (DWP) may query the payments of means-tested benefits received by the deceased during their lifetime)
- A dispute between the beneficiaries which needs to be resolved before the administration can be completed.

Services not covered

These price ranges are provided on the basis that the following services are not included and if required, would be charged for in addition and for which we would provide a separate estimate:

- Registering the deceased's death and/or arranging the funeral,
- Administering any trusts resulting from the terms of the Will,
- Preparing Deeds of Variation,
- Conveyancing on the sale or transfer of the deceased's property,
- Tracing a missing will or missing executors,
- Dealing with any tax returns relating to before/after the deceased's death
- Dealing with tax planning issues related to the estate of any predeceased spouse,
- Disputes over who is entitled under the Will or dealing with any claims against the estate,
- Reviewing retrospective Care Funding matters concerning the deceased,
- Insolvency issues,

Every estate is different, and we will only charge for the work that is relevant to properly administer the estate. However, to give an idea of what our charges will be, please see below for some typical examples of what we have charged our clients in the past.

Additional Costs

Law firms often talk about "Disbursements", and these are costs related to your matter that are payable to third parties, such as Court fees. There may also be additional expenses which we will make in addition to our fees, such as an Electronic ID fee. We will always be upfront with you as to how much these charges are and what they relate to. If you instruct us, we set out any known additional expenses in our Client Care Letter.

Examples of additional costs that relate to estate administration:

- Probate court fees – £273.00 plus £1.50 per sealed copy (correct as of July 2023).
- Bankruptcy searches – £2.00 plus VAT of 40p (gross £2.40) per search.
- Copy of registered title to a property (each one) - £3.00 plus VAT of 60p (gross £3.60).
- Asset searches – £165.00 plus VAT of £33.00 (gross £198.00);
- Share Valuations - £6.00 plus VAT of £1.20.00 (gross £7.20):
- Digital Asset Search – £35.00 plus VAT of £7.00 (gross £42.00): and
- Statutory advertisements (to protect PR's) – from £300.00 but actual cost depends upon the cost of placing a Legal Notice in the local paper. This can vary greatly.

VAT will also be added to our fees at 20%.

When there is work involved that falls outside of our remit, we will always recommend a referral to a trusted third party. For example, Accountants to aid with complex Tax Returns for Income or Capital Gains Tax. This would be an added expense.

There may be other expenses payable dependent upon the needs of the estate. These may include instructing asset valuations, estate agents, stockbrokers, accountants, genealogists or financial advisor fees, the fees to obtain a legal opinion from a barrister or external lawyer's fees to deal with assets overseas.

Our Charges

Our charges are based upon hourly rates which are reviewed annually from 1 May. Our current hourly rates are below:

| Position | Hourly Rate |
|---------------------|---------------------------------------|
| Director | £330.00, VAT £66.00, gross £396.00 |
| Associate Director | £295.00, VAT £59.00, gross £354.00 |
| Senior Associate | £270.00, VAT £54.00, gross £324.00 |
| Associate Solicitor | £245.00, VAT £49.00, gross £294 |
| Solicitor | £220.00, VAT £44.00, gross £264 |
| Senior Paralegal | £180.00, VAT £36.00, gross £216.00 |
| Paralegal | £120.00, VAT £24.00, gross £144.00 |
| Trainee Year 2 | £170.00, VAT £34.00, gross £204.00 |
| Trainee Year 1 | £160.00, VAT £32.00, gross £192.00 |

If you instruct us, we will set out the relevant hourly rates in our Client Care Letter.

Timescales

The length of time that it takes to administer an estate depends upon factors such as the complexity of the estate, whether inheritance tax is payable and external agencies, such as HMRC. We can provide regular updates on timeframes as your matter progresses.

If you would like to speak with one of our Team, please email info@thursfields.co.uk.
