

### **Private Client – Grant of Representation and Estate Administration Costs**

Our costs will depend on the level of involvement we have in the estate and whether an inheritance tax return is required or not.

There are key stages in the administration of an estate as follows:

1. Valuing the estate
2. Assessing whether inheritance tax is payable or not. If necessary, preparing and submitting an inheritance tax return and paying any tax due.
3. Applying for a Grant of Representation (also known as Grant of Probate or Grant of Administration).
4. Administering the Estate; and
5. Distributing the estate

Example scenarios and legal fees are set out below, however these are for guidance only and an individual quote will be supplied to you once we receive full details of the estate.

As well as our legal fees there will be disbursements payable. Disbursements are costs related to your matter that are payable to third parties, such as application fees. We handle the payment of the disbursements on your behalf to ensure a smoother process. The typical disbursements that occur in an estate include, but are not limited to:

- Grant of Representation application fee of £273.00. Included in this fee is one copy of the Grant of Representation. Additional copies of the grant cost £1.50 per copy, further copies will need to be obtained depending on how many assets require an additional copy. There is no VAT payable on this disbursement.
- If any documents need to be sworn this will be an additional cost of £5 per document, plus £2 per exhibit/attachment. There is no VAT payable on this disbursement.
- If there is property, we will obtain a copy of the Title Register for each property if available from HM Land Registry for £3.00 per title. There is no VAT payable on this disbursement.

- If Statutory Notices are to be placed, these can cost between £100 to £350 plus VAT for the notices to be placed in the London Gazette and in a local newspaper(s). Statutory Notices provide protection against unexpected claims from unknown creditors of the Deceased. It is recommended that these notices be taken out however they are not a legal requirement.
- If we are instructed to fully administer an estate (**Example Scenario 4**), we will undertake a Bankruptcy-only Land Charges search against the names of each beneficiary of the estate prior to making any distributions. This costs £2.00 plus VAT for each search.

### Example Scenario 1

**Obtaining the Grant of Representation on an estate where an IHT400 inheritance tax return is not required.**

This includes: obtaining the date of death balance for the assets and liabilities of the estate, preparing and submitting the Grant of Representation application, handing over the Grant of Representation to the Executors/Administrators to administer the estate.

#### Breakdown of costs:

|                             |                   |
|-----------------------------|-------------------|
| Legal fees                  | £950.00           |
| VAT on legal fees           | £190.00           |
| Grant of Representation Fee | £273.00           |
| <b>TOTAL</b>                | <b>£1,413.00*</b> |

#### How long will this take?

On average, estates that fall within this range are dealt with within 6-8 months. At present, it is taking on average 16 weeks to process Grant applications once they have been submitted to the Probate Registry.

## Example Scenario 2

### **Obtaining the Grant of Representation on an estate where an IHT400 inheritance tax return is required, but no inheritance tax is payable.**

This includes: obtaining the date of death balance for the assets and liabilities of the estate, completing the IHT400 inheritance tax return and the associated schedules, preparing and submitting the Grant of Representation application, handing over the Grant of Representation to the Executors/Administrators to administer the estate.

#### Breakdown of costs:

|                             |                   |
|-----------------------------|-------------------|
| Legal fees                  | £1,250.00         |
| VAT on legal fees           | £250.00           |
| Grant of Representation Fee | £273.00           |
| <b>TOTAL</b>                | <b>£1,773.00*</b> |

#### How long will this take?

On average, estates that fall within this range are dealt with within 12-18 months. The inheritance tax return must be submitted to HMRC first and a period of 20 working days must elapse before then applying for the Grant of Representation. At present, it is taking on average 16 weeks to process Grant applications once they have been submitted to the Probate Registry.

### Example Scenario 3

#### **Obtaining the Grant of Representation on an estate where an IHT400 inheritance tax return is required and inheritance tax is payable.**

This includes: obtaining the date of death balance for the assets and liabilities of the estate, completing the IHT400 inheritance tax return and the associated schedules, arranging payment of the inheritance tax due to HMRC, following-up the inheritance position with HMRC and obtaining clearance, preparing and submitting the Grant of Representation application, handing over the Grant of Representation to the Executors/Administrators to administer the estate.

#### Breakdown of costs:

|                             |                   |
|-----------------------------|-------------------|
| Legal fees                  | £1,500.00         |
| VAT on legal fees           | £300.00           |
| Grant of Representation Fee | £273.00           |
| <b>TOTAL</b>                | <b>£2,073.00*</b> |

#### How long will this take?

On average, estates that fall within this range are dealt with within 12-18 months. The inheritance tax return must be submitted to HMRC first and period of 20 working days must elapse before then applying for the Grant of Representation. At present, it is taking on average 16 weeks to process Grant applications once they have been submitted to the Probate Registry.

## **Example Scenario 4**

### **Full administration**

This includes: obtaining the date of death balance for the assets and liabilities of the estate, *if necessary - completing the IHT400 inheritance tax return and the associated schedules, arranging payment of the inheritance tax due to HMRC, following-up the inheritance position with HMRC and obtaining clearance*, preparing and submitting the Grant of Representation application, encashing the assets of the estate, paying all liabilities and distributing the estate in line with the will/rules of intestacy.

The costs to fully administer an estate will depend on the individual circumstances of the matter, which can vary greatly. For example, if there is a will and only one beneficiary and no property in the estate, costs will be lower than if there was no will, multiple beneficiaries, a property and multiple bank accounts.

We anticipate the average estate to take between 15 and 30 hours work at £178 - £300 per hour (£2,670 - £9,000 plus VAT plus disbursements) depending on whether the work is undertaken by a Director or a Lawyer, who will be assisted by Paralegals where appropriate at £129 per hour.

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

On average, estates that fall within this range are dealt with within 12-24 months. *If required, the inheritance tax return must be submitted to HMRC first and a period of 20 working days must elapse before then applying for the Grant of Representation.* At present, it is taking on average 16 weeks to process Grant applications once they have been submitted to the Probate Registry. Collecting assets then follows, which can take between 12-16 weeks. Once this has been done, we can distribute the assets, which normally takes 4-8 weeks. The more straightforward the assets, the quicker the estate can be administered. If there are unusual assets or complications then it may take more time to value the estate before we can apply for the Grant of Representation.

An average estate carries the following presumptions:

- There is a valid will
- There is no more than one property
- There are no more than 2 bank or building society accounts
- There are no other intangible assets
- There are 1 - 5 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 is no inheritance tax payable and the executors do not need to submit a full account to HMRC
- There are no claims made against the estate

Once we have discussed the full details of the estate, we can give you a better estimate of our likely costs.

**\*Please note that these costs are for illustrative purposes only, further disbursements or charges may need to be incurred depending on the individual requirements of each estate.**