

Administration of Estates – Probate and related matters

The administration of an estate can be simple or complex, or somewhere in between. Hence the overall costs can also vary widely, since they are related to how much time is required to deal with the matter.

[Our team](#) has many years' experience in all matters relating to wills and estate administration. We have senior individuals with expertise in dealing with complex estates including tax expertise to advise on all tax issues arising and we have more junior staff who can deal with the practical administration at cost effective hourly rates. We can deal with all estates, from the most straightforward to the most complicated.

The exact cost will depend on the individual circumstances of the case. There are numerous variables, for example in the number of and types of assets, the value of the assets, the number of executors, the number, age and location of beneficiaries, the inheritance tax payable if any, whether it is necessary to claim reliefs from inheritance tax, whether the deceased made lifetime gifts from income or capital, whether there are assets abroad and if a grant is required in another country, whether there is a will, and if not how easy or otherwise it might be to establish who is entitled to the estate – all these factors and other complications that might arise during the course of an administration will determine the level of cost. If there are income and capital gains tax matters to be dealt with during the administration this will add to the time and expertise required to complete it.

In each case we will provide you with a clear estimate of costs when we have full information about the estate. We can agree with you in advance a fee for gathering sufficient information about the estate in order to provide the estimate for the administration.

The complexity of the matter and the seniority and experience of the member of the team handling the day-to-day work will affect the final fee. Our hourly rates vary between £250 (plus VAT) to £450 (plus VAT) per hour.

By way of illustration, we set out below an estimate for fees in a straightforward case.

In an estate where:

- There is a valid Will
- There are no more than two executors
- All assets are situated in the UK
- There is no more than one property
- There are no more than 4 bank or building society accounts
- There are no other intangible assets
- There are no more than 5 beneficiaries

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- There are no disputes between the beneficiaries regarding the estate
- There is no inheritance tax payable and only the short form IHT return is required
- There are no claims against the estate
- There are no income tax or capital gains tax matters to be addressed

The work involved in a matter of this nature may take between 10 and 20 hours to complete and on that basis our charges would be between £4,250 and £8,500 plus VAT. This would not include conveyancing work for the sale of property, for which a quote would be provided by our property team.

There would be disbursements (i.e. costs payable to third parties on your behalf) which would include:

- The probate application fee – £300 (plus £1.50 for additional copies)
- Advertisements for creditors – approximately £215 plus VAT
- Bankruptcy search fees – £2 plus VAT per beneficiary (additional charges apply for overseas beneficiaries)
- Land registry search fees to check title £3 – £6 plus VAT

In certain limited circumstances, we are able to work on the basis of an agreed fixed fee (rather than on the basis of hourly rates), as follows:

- Where we are instructed to obtain a Grant of Probate only and there is no inheritance tax to pay and no IHT return is required, our agreed fixed fee will be between £2,500 – £3,500 (plus VAT and disbursements)
- Where we are instructed to obtain a Grant of Probate only and there is no inheritance tax to pay but an IHT return is required, our agreed fixed fee will be between £3,500 – £4,500 (plus VAT and disbursements)
- Where we are instructed to obtain a Grant of Probate only and there is inheritance tax to pay and an IHT return is required. We will agree a fixed fee with you in advance. If we are required to enter into ongoing communications with HMRC over and above the sending of the IHT form, this work will not be included in the agreed fixed fee and will be charged for separately at the applicable hourly rate.

Other charges

We are required by law to verify the identity of our clients. To satisfy this requirement we carry out online ID verification checks on our clients and we charge a fee of £15 – £20 plus VAT for each check undertaken (or up to £40 plus VAT per check if an international business check is required). The online ID verification checks include a financial sanctions check. In the event that a standalone financial sanctions check is required, we charge a fee of £5 plus VAT for each check undertaken.

This is an example of a straightforward case and we set out below the many other factors that may need to be dealt with.

VAT

Where an amount is stated as “plus VAT” we will charge VAT at the rate of 20% which is payable in addition to the amount stated.

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How long does the process take?

Depending on the complexity of the estate and whether inheritance tax is payable, the administration of an estate will generally take between 12 and 24 months. Typically, the obtaining of the grant takes 4 – 6 months. Collecting the assets then follows which can take a further 6 – 8 months. Distribution then follows. If a property has to be sold before the estate can be distributed then obviously the timescale will vary depending on how quickly the transaction can be completed.

We will provide you with a detailed estimate for costs when we have full information about the estate.

The process

The steps that need to be taken in the course of an administration can include some or all of the following (the straightforward estate will encompass only some elements of this list and where more elements are relevant, more time will be required to complete the work)

- Considering the terms of the Will and advising where necessary
- Consider whether a Deed of Variation is appropriate
- Identifying the executors or (if no Will) the administrators
- Identify the beneficiaries and their current whereabouts
- Establish who is entitled to act as administrators and to benefit from the estate where there is no Will
- Register the death with all financial institutions and gather all information about the assets belonging to the deceased and establish values at the date of death
- If required, prepare death verification certificate
- Consider missing assets
- Gather all information about creditors and obtain evidence/confirmation of debts
- Gather information about the income of the deceased and whether or not an income tax return is required and if so, who will deal with it
- In light of information obtained, consider whether inheritance tax is payable and what sort of grant is required
- Complete the inheritance tax return
- Consider inheritance tax reliefs available, including transferrable nil rate band and residence nil rate band
- Pay inheritance tax within the required time scale
- Prepare and submit the application for the grant of probate
- Deal with any questions from probate registry
- On receipt of grant of probate, advertise for creditors

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- Consider capital gains tax on realisation of assets
- Realise the assets (e.g. sell property, close accounts, cash in other assets)
- Pay debts of the estate
- Deal with income and capital gains tax arising in the estate during the administration
- Prepare estate accounts
- Discuss distribution with executors and liaise with beneficiaries
- Deal with bankruptcy searches against beneficiaries
- Settle legacies
- Advise regarding any trusts arising in the Will (work relating to implementation of the trusts will be subject to a separate fee estimate)
- On approval of accounts by executors, distribute the assets.
- If the estate includes assets in other countries, the grant may have to be re-sealed in that country or it may be necessary to take out a separate grant in that country
- If the estate includes a business, then steps will have to be taken to ensure its continuance while the estate is being administered

Obviously cases will vary from one to another and the above is for guidance and general information only.

Contact us

For further details on the administration of estates process please [contact us](#) or call 01202 294 566 and we will be happy to go through the process in more detail.

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