

PROBATE COSTS IN UK ESTATES

Many estates we deal with involve more than one jurisdiction, e.g. because the deceased was not a UK national, or because assets are located in other jurisdictions abroad, e.g. France, the US etc. This can add complexity to the administration of an estate. Where the deceased is domiciled in the UK and all assets are in the UK, there are two main parts to administration of the estate:

- Part 1** Calculating, and arranging for payment of, Inheritance Tax and applying for a Grant of Probate. A Grant of Probate is a document issued by the court which allows the executors or personal representatives authority to deal with and transfer the assets of the deceased.
- Part 2** After the Grant of Probate has been issued, arranging all other aspects of the administration of the estate and distribution of the assets to beneficiaries.

Services

Where there is a purely UK estate, our services would normally cover the following:

Part 1

- corresponding with banks, investment houses, insurance companies, surveyors etc. to obtain necessary valuations
- preparing Inheritance Tax Accounts (including claiming available reliefs such as business property relief or charitable exemption where appropriate)
- preparing the probate statement of truth and other supporting papers for the Grant application
- making arrangements for the funding and settlement of Inheritance Tax (which must be paid before the Grant of Probate is issued).

Part 2

- on receipt of the Grant, settling estate liabilities
- where necessary, placing appropriate statutory notices
- dealing with income tax and capital gains tax during the administration period
- arranging distributions / asset transfers to beneficiaries
- obtaining clearance from HMRC over the estate's IHT liabilities.

Additional elements which would not normally be included, but which clients may wish us to deal with include:

- post death tax and estate planning including advice on, and preparation of, Deeds of Variation (Deed of Family Arrangement) and Disclaimers
- liaising and negotiating with HMRC in relation to land or works of art that may be conditionally exempt from Inheritance Tax

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- discussions and negotiations with HMRC in the case of dispute over the availability of Business Property Relief, Agricultural Property Relief, Charitable Exemption or other tax reliefs and exemptions
- detailed consideration of the deceased's record of lifetime gifts and advising on such things as the availability of the regular gift out of income exemption
- submission of Inheritance Tax Returns for existing, pre-death family trusts which may be required to file Inheritance Tax Accounts.

Pricing

We charge on the basis of time spent, at the hourly rates of our partners (£585 - £910), solicitors (£425 - £565) and trainees / paralegals (£185 - £255). All our hourly rates are exclusive of VAT, which is charged at 20% in addition. Our work is delivered by a mixture of a partner and an associate/senior associate solicitor. On certain matters, a trainee solicitor / paralegal or non-legal administrator may also be involved.

The cost of obtaining the Grant of Probate (Part 1) would typically be **£20,000 to £30,000 plus VAT charged at 20%** depending on the size and complexity of the estate, and involve 35 – 50 hours work. The wider variety of assets and the more beneficiaries there are, the more complex and time consuming the process. The timescale for completing all steps in Part 1 is typically 3 – 12 months, again, depending on complexity.

Once the Grant of Probate has been obtained the costs of completing the administration of the estate (Part 2) would typically be a further **£15,000 to £27,500 plus VAT charged at 20%**, involving 25 - 45 hours. The timescale for completing all steps in Part 2 is typically 6 – 18 months.

Costs for, and the number of hours needed to complete the work in, Part 1 and Part 2 can be significantly higher than typical if, for example, there are unusual or complex assets in the estate, a large number of directly held privately owned shareholdings or unregistered land, if the Will contains trusts, if there are a large number of beneficiaries, if the estate is subject to a dispute, or if there are protracted negotiations with HMRC. The costs also assume a valid and uncontested Will.

In all cases, we can give more specific costs estimates when we have a more detailed understanding of the particular estate.

Disbursements

The principal disbursement in any Probate application is the Court fee, currently fixed at £300. If additional copies of the grant are required, the Court charge £16 per copy. We will charge a bank administration fee of £42 inclusive of VAT. If any documents are sent by special delivery the specific cost will be charged as a disbursement.

Our team

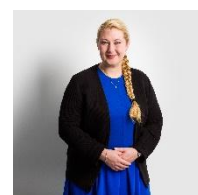
Probate work is carried out in the Private Client team (comprising qualified lawyers, paralegals/trainee lawyers and administrators), always under the supervision of a partner. Many of our lawyers are qualified with STEP (Society of Trust and Estate Practitioners). For more details of our Private Client Team, please see <https://www.fladgate.com/expertise/private>



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