

## ADMINISTRATION OF AN ESTATE

At Everyys, we understand that the death of a loved one is a very difficult and upsetting time. We also realise that every person's Estate is as individual as they are. Accordingly, at Everyys we offer a bespoke Probate service which fits in with your budget, time and personal priorities.

Below is a summary of the main options that we offer.

### 1. Advice Only Option

This service level can start from as little as having an initial meeting with us to provide you with some advice and point you in the right direction to allow you to deal with matters yourself.

Clients who chose this option may come back to us for help later on with selling the deceased's property, finalising the deceased's affairs or additional matters such as Deed of Variation.

Under this option, we charge purely for the advice given on a time basis depending on exactly how much advice you require. A typical hourly rate for a Solicitor to assist you in this regard would be £290 excl. VAT (£348 incl. VAT).

### 2. Grant Only Option

This is a fixed fee service that is a popular option with clients. It includes providing initial advice then the client gathers together the information required to complete the Probate papers and Inheritance Tax account. Everyys then complete the Probate and Inheritance Tax papers on your behalf. The client would then deal with the ongoing administration of the Estate themselves after Grant of Probate is obtained, but with us still available for them to obtain further help on an hourly rate basis should it be required.

The Fixed Fee Grant only service would include the following:

1. Initial meeting and advice of up to one hour;
2. Letter confirming advice and setting out the information we require from the family;
3. Checking information received from the Executor and if necessary, going back to the family to request any further information required;
4. Drafting the Legal Statement for approval;
5. Drafting Inheritance Tax Account (IHT400) if required.
6. Finalising the Legal Statement and Inheritance Tax Account and arranging for the Executors to swear the same;
7. Submission of the application to the Probate Registry and reporting back to the family once the Grant of Probate is received.

Our Fixed Fee for the Grant Only Service is as follows:

For the simplest of Estates £1,750 excl. VAT (£2,100 incl. VAT);

For more complicated Estates (where Form IHT400 is required) £3,500 excl. VAT (£4,200 incl. VAT). If inheritance tax is due, that fee will be higher.

There would be an electronic ID search against the Executors of £35 excl. VAT (£42 incl. VAT).

A fee payable to the Probate Registry for the Grant of Probate which is currently £300 plus £1.50 for each certified copy of the Grant required.

The Fixed Fee assumes that no Inheritance Tax is payable on the Estate, all the assets in the Estate are in the UK, no Transferable Nil Rate Band is being claimed, no Transferable Residence Nil Rate Band is being claimed, no claim for downsizing on the Residence Nil Rate Band is being claimed, the deceased is not a beneficiary of a Trust, the lifetime gifts made in the seven years prior to the date of death did not exceed £150,000 and there are no assets in the Estate which would be subject to the gift with reservation of benefit rules.

If any of the above exclusions apply, then we would still be happy to act for you on a fixed fee basis and a quote can be provided based on your personal circumstances.

## **Administering Whole Estate**

As mentioned above, we like to provide a bespoke Probate service and therefore we can do as little or as much of the work as you require and our fees will reflect the amount of work carried out by you and by us. We will try and provide you with a personal quote based on your circumstances but as a guide we have set out below what our charges might be on a typical Estate.

There are many factors that can affect the amount of work involved and therefore the price. The variables can include a number of matters, for example the number of beneficiaries and number of asset holding institutions. In particular, individual shareholdings can be very time consuming to deal with. If there are multiple beneficiaries or multiple asset holders to contact, more letters need to be prepared, accounts are more complicated and more time is spent in dealing with the Estate.

In addition, where there is a property in the Estate there is additional work involved in arranging clearance of the property, disposal of the personal possessions, arranging insurance and settling utility bills and liaising with Estate Agents over sale etc. If there are multiple properties in an Estate then these costs increase further.

The work involved in the administration of the standard Estate would include but is not limited to:

1. Providing initial advice to the Executors;
2. Reading the Will and ensuring the correct distributions of the Estate.
3. Gathering the necessary information about the assets and liabilities of the Estate;
4. Liaising over the clearance of the property and distribution of the contents;
5. Completing and submitting the Probate papers;
6. Completing and submitting the Inheritance Tax account;
7. Collecting in the assets of the Estate;
8. Liaising over the marketing and sale of the deceased's property;
9. Placing Trustee Act Notices to protect the Executors;
10. Settling the liabilities and expenses due;

11. Contacting the beneficiaries and obtaining ID and payment information;
12. Making interim distributions to beneficiaries;
13. Identifying any income tax or Capital Gains Tax issues arising;
14. Preparing Estate Accounts;
15. Making final distributions once matters are complete.

We have assumed that our standard Estate has a value in the region of £650,000. The Estate includes a residential property with contents to be disposed of, up to ten bank accounts, up to ten individual shareholdings or investments, life time gifts not exceeding £50,000, no interest in a trust and no assets outside the UK. All pensions of the deceased paid an annuity and cease on death. We have assumed that there is a valid Will with UK based Executors willing to act. The Will contains up to ten legacies of cash or personal chattels. The residuary Estate is distributed between no more than five residuary beneficiaries.

We have assumed that there are family members who are able to register the death and arrange the deceased's funeral. These family members have also been able to provide us with initial information about the deceased and initial paperwork from the deceased's property. Otherwise this firm is dealing with all matters in relation to the administration of the Estate and the family members provide no more assistance.

We have assumed that there is no Inheritance Tax payable on this Estate and no other significant tax liabilities arise. We have assumed the deceased did not own any farmland or have any interest in any business.

We have assumed that no claims are made against the Estate and there are no disputes between the beneficiaries over the sake or division of the assets or the reading of the Will.

## **Fee Options**

In the circumstances, we give the family the choice between having the certainty of having a fixed fee so they know exactly what the costs will be or to choose for our charges to be based on an hourly rate which means charges could be higher or lower than the fixed fee depending how much work is ultimately required.

The Fixed Fee in the example of the above Estate worth around £650,000 would be £13,000 excl. VAT (£15,600 incl. VAT), plus the additional costs set out below.

The hourly rate fee would be based on a Solicitor with an hourly rate of £290 excl. VAT (£348 incl. VAT) taking between 45 to 55 hours over a period of 6 to 12 months to complete the administration of the Estate.

Accordingly, our fees would be somewhere between £13,050 excl. VAT (£14,580 incl. VAT) and £15,950 excl. VAT (£17,820 incl. VAT) plus the additional costs below. As this cost estimate is variable it would be updated during the progression of the matter.

In both the Fixed Fee and the hourly rate cases there will be additional sums to pay as follows:

1. Fees payable to the Probate Registry currently £300 for the Grant of Probate and an extra £1.50 for each sealed office copy of the Grant;
2. Electronic ID searches against the Executors being £35 excl. VAT (£42 incl. VAT) per Executor;
3. Valuation fees payable to a surveyor for a valuation of the property typically in the region of £250 excl. VAT (£300 incl. VAT) to £500 excl. VAT (£600 incl. VAT) but dependent on the nature and value of the property;
4. Bankruptcy searches of £6 excl. VAT (£7.20 incl. VAT) per beneficiary;
5. Trustee Act Notices in the London Gazette and a local newspaper, approximately £250-£275;
6. The conveyancing costs in relation to the sale of the property to a third party or the transfer to one or more beneficiaries conducted by our Conveyancing Department would be in accordance with their standard published charges;
7. The work involved in finalising the deceased's tax affairs to the date of death and dealing with the Estate's income tax position will be in addition to the above. This could either be carried out by the deceased's Accountant or by the firm's tax specialist. In either case, a separate quote will be provided for this work.;
8. If any of the beneficiaries wish to execute a Deed of Variation, then again the charges for this will be in addition and if this is required, a quote can be provided upon receipt of instructions.

We remind you that this is an example for a typical Estate and our bespoke service would mean either the fixed fee or hourly rate could be more or less depending on all the circumstances of the matter and the level of involvement and assistance that you require from Everyys.