

Costs for dealing with the administration of uncontested estates

Gordon Daniel Ltd Solicitors (GDLS) has a team with extensive experience in all matters relating to estate administration. The person who will carry out most of the work and who will supervise the matter is a Solicitor with twenty years of experience in the administration of estates. The Probate Department Manager, Secretaries and the Paralegal who all have various years of experience may also work on the matter.

GDLS's charges are based on the amount of time spent in dealing with the estate at a rate of £217 plus VAT per hour. Each hour is divided into 10 units. Each unit being 6 minutes of time at £21.70 plus VAT per unit and the time taken to carry out each task (e.g. attendance for appointments, preparation of documentation, travel etc.) is recorded accordingly.

Each letter in and out is charged out at £21.70 plus VAT per letter.

Each telephone call in and out is charged at £21.70 plus VAT for every 6 minutes of the call.

Each email in and out is charged at £21.70 plus VAT per email.

We will also charge a value element in addition to our quoted hourly rate. The value element will be 1% of the value of any cash and investments in the estate and ½% of the value of any property or interest in property.

Without knowing the specific details of the assets and liabilities of which an estate is composed and the potential values involved it is difficult to give a precise quote as to how much it will cost to administer an uncontested estate.

A likely cost is as follows but please note that the following will not be the price that every Client will pay regarding the administration of an uncontested estate.

The costs incurred during the administration of the estate will usually be between 2% (two) and 3% (three) percent of the gross value of the estate (in respect of the time costs of £217 plus VAT per hour as detailed previously) **plus** the value element referred to above. The value element is based on the value of the assets as shown on the IHT205/IHT400 form:

An example of how the value element is calculated is set out below:

Cash/Investments - £350,000 – value element 1% = £3,500 + VAT and
Value of Property - £200,000 – value element ½% = £1,000 + VAT

Total Value Element - £4,500 + VAT

Our charges are subject to the payment of VAT at the applicable rate.

Our charges will be paid from estate funds however if there are insufficient estate funds to meet our costs, VAT and/or any applicable disbursements then the Personal Representatives (i.e. the Executor(s) or Administrator(s) as applicable) will be liable for our costs, VAT and/or applicable disbursements.

In addition to our costs as detailed above, the following expenses (or what are usually referred to as Disbursements) are payable (approximate amounts quoted):

- Swear fee £5 to £7 per Executor or Administrator. This is an average fee.
- Probate court fee £160.00. This is an average fee.

- Statutory notices £248.00. This is an average fee.
Bankruptcy searches £2 per person. But if a person lives outside of the UK the price per person can be £150 or more, accordingly this is an average fee.
- Office Copies Entries £3. This is an average fee.

The fees set out above include:

- Taking initial instructions;
- Correspondence with the Executors or Administrators as appropriate including identifying who the appointed Executors or Administrators are;
- Correspondence with all legatees and beneficiaries;
- Obtaining details of all assets and income and all liabilities and expenses;
- Drafting the applicable Inheritance Tax forms i.e. IHT205, IHT217, IHT400 etc;
- Drafting an application for a Grant of Probate/Letters of Administration having accurately identified the type of probate application required;
- Arranging payment of Inheritance Tax (where applicable) however for clarity please note that this means that GDLS will deal with HMRC but this does not mean that GDLS will fund any Inheritance Tax liability.
- Placing Statutory Notices;
- Preparing Tax Return(s) for HMRC or instructing a firm of Accountants to deal with this (where applicable)
- Realising all assets and income;
- Paying all liabilities and expenses;
- Preparing Estate Accounts of instructing a firm of Accountants to deal with this.
- Distributing the estate

We may also make an additional charge for dealing with any of the following. Our costs will be provided for approval before the work is undertaken:

- Advice or action in respect of a claim against the estate;
- Research;
- Additional non-essential Attendances;
- Arranging storage of personal items;
- Dealing with unforeseen events; and
- Deeds of Variation;

In addition to the above the administration of an estate normally involves the payment of fees to third parties to deal with the following matters (these are usually referred to as Disbursements):

- If Accountants are instructed to prepare Tax Return(s) and/or Estate Accounts on average they will charge £350 plus VAT for the preparation of a Tax Return and they will usually charge between £75 and £100 plus VAT per hour to prepare the Estate Accounts. If it is intended to instruct Accountants we will obtain a quote for the Client's approval before any work is commenced by the Accountants.
- Any property will normally need to be valued. It is normal to obtain three valuations and to take the average of the three valuations. Such valuations are usually charged at between £100 plus VAT and £300 plus VAT per valuation.
- Any stock and shares will often need to be professionally valued. Such valuations are usually charged at between £100 plus VAT and £300 plus VAT.
- Personal items such as the contents of any property and any vehicles etc. will usually need to be valued. Such valuations are usually charged at between £100 plus VAT and £300 plus VAT.

Please note that the above details are for administering an uncontested estate. If a claim or a potential claim is made against the estate then any work in dealing with such a claim or potential claim will be charged separately from the costs relating to the administration of the estate.

Please note that if there is a trust associated with the estate which will need to be dealt with at the same time as the administration of the estate then if GDLS is instructed to deal with the trust as well then all of the work in dealing with such a trust will be charged separately from the administration of the estate.

The likely time scales in dealing with the administration of an uncontested estate are:

- Between three to six months from receiving instructions to applying for the Grant of Probate / Grant of Administration (as appropriate depending on whether there is a Will).
- Between three to six months from receiving the Grant to providing the estate accounts for approval by the Executors or Administrators (as appropriate)
- Between two to three months from receipt of the approved estate accounts to making the final distribution.

Please note that the above timescales are only estimates and events may happen either more quickly or more slowly depending on the nature and whereabouts of the assets, income, liabilities, expenses, legatees and beneficiaries of the estate.

Other issues that may affect the time taken (and this is a non-exhaustive list) include obtaining clearance from HMRC relating to the payment of Inheritance Tax (if applicable) especially where some particular types of reliefs and exemptions are claimed and whether the Executors / Administrators (as appropriate) wish to wait for the expiry of ten months from the date of the Grant of Probate / Grant of Administration (as appropriate) to allow for a claim under the Inheritance (Provision for Family and Dependants) Act 1975 against the estate where a person entitled to claim under the above mentioned Act represents that they have not been adequately provided for from the estate.