

SRA TRANSPARENCY RULES

(Probate)

Fact Sheet on Probate

Introduction

We can help you through the difficult process of obtaining a Grant of Representation on your behalf to deal with the estate of the deceased including, where necessary, liaising with HMC as regards inheritance tax. If you wish, will also undertake the collecting and distributing of assets.

1. What are our charges

Our fees cover all of the work required to complete obtaining of a Grant of Representation to deal with the estate of the deceased whether that person died testate (having made a Will) or intestate (not having made a Will) and whether the estate is taxable or non-taxable.

Our fees (also known as profit costs) are calculated at a rate of £225 plus VAT per hour. In addition, we make a charge of £30 plus VAT for each electronic money transfer carried out.

The eventual charge which we make will depend on a number of factors including the following: -

- Whether or not there is a valid Will
- Whether or not there is more than property in the estate
- The number of bank or building society accounts or other assets in the estate we will have to deal with
- The number of beneficiaries we will have to deal with
- Whether or not inheritance tax is payable on the estate
- Whether or not you will need to submit a full account to HMRC for Inheritance Tax purposes
- Whether or not there any disputes from beneficiaries on division of assets. If any significant disputes arise, we may have to advise you to go to see another solicitor who deals with probate disputes
- Whether or not there are any claims made against the estate

In addition to our fees, we also have to charge you for disbursements (being costs related to your matter that are payable to third parties). The main ones are probate application fees currently set at £155 per case, swearing of oath fees of between £5 and £10 per executor and advertisement fees of around £150 payable to the London Gazette and the local newspaper to help protect you against unexpected claims from unknown creditors. We deal with payment of disbursements on your behalf to ensure a smoother process. An additional £1 each is payable for extra copies of the Grant of Representation.

Please note that dealing with the sale or transfer of any property in the estate is not included. Additionally, we cannot deal with the distribution of any assets situated outside England and Wales.

At the end of this note we will be providing **for illustration purposes only** an explanation of what you might expect to pay on an average case.

If you would like a full case specific estimate, please contact Mr Nigel Hanan who will be able to provide you with the same.

2. How long will probate take?

How long it will take before we can complete the administration of the estate will largely depend on the factors mentioned in section 1 above. On average, a relatively uncomplicated case can take between 2 to 5 months. Typically, obtaining the Grant of Probate can take 2 to 3 months. Collecting assets then follows, which can take between 4 to 6 weeks. Once this has been done, we can then distribute the assets which normally takes between 2 to 4 weeks.

3. What are the main stages of the probate process?

The precise stages involved in the obtaining of probate and dealing with the estate vary according to the circumstances. However, the key stages will normally be as follows: -

- Take your instructions and give you initial advice
- Consider information given by you concerning assets and liabilities of the estate
- Advising you on potential Inheritance Tax liability and how you can best meet the same
- Writing to banks, building societies and others for valuations of the assets of the estate
- Upon receiving the valuations, preparing the necessary Inheritance Tax forms and also preparing the Grant application form
- Sending you the Grant papers and Inheritance Tax forms for approval and signing
- Upon receipt of the signed forms lodging the same with HMRC and the Probate Registry and paying the Inheritance Tax and probate court fees
- Advertising for creditors upon receipt of the Grant of Representation if you so wish.

- Lodging the Grant of Representation once issued with banks and building societies and others to collect assets in the estate
- Finalising estate accounts and agreeing these with you and with the beneficiaries
- Distributing the estate in accordance with the agreed accounts

4. **Inheritance Tax**

What is Inheritance Tax? This is the tax payable only post-death based on the valuation of the estate. Almost all estates underneath the nil rate band (currently £325,000) will not incur Inheritance Tax. Sometimes, estates far above £1 million will still be exempt for various reasons. If you would like to obtain an estimate of the inheritance tax payable in your specific case, you can try the online Inheritance Tax calculator of HMRC which can be viewed here www.gov.uk/inheritance-tax-calculator

Please note that normally the Inheritance Tax has to be obtained before the Grant of Representation is obtained which can be difficult as often you will need the Grant of Representation in order to release assets of the estate. Having said that, many banks and building societies will agree to give advance on estate proceeds to pay the Inheritance Tax before the Grant of Representation is issued. Alternatively, you may be able to pay a 10% proportion of the Inheritance Tax bill with the balance normally payable once the Grant of Representation has been issued.

5. **Illustration**

We set out below a costs estimate for a standard probate case involving of an estate of £500,000 where Inheritance Tax is not payable and with no significant complications.

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| • Profit costs (based on 5 hours' work): | £1,125.00 |
| • VAT on profit costs: | £ 225.00 |
| • Electronic money transfer fees including VAT: | £ 72.00 |
| • Probate fees including copy grants: | £ 158.00 |

Grand total: **£1,580.00**

Again, if you would like a case specific estimate for your particular circumstances, please contact Nigel Hanan.