



**Wills Estates  
& Probate Lawyers**

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## **Probate and Estate Administration - INFORMATION FOR CLIENTS**

### **Walsh West Private Client Legal 2023**

When you lose someone close to you, it is a difficult time and dealing with the paperwork to apply for probate can seem daunting. Our probate team can help and guide you through the process of administering an estate including attending to any legal requirements.

Our probate team are here to: -

- help administer any size of estate, from the simple to the very complex.
- handle all the administration, or just part if you want to do some of the work yourself.
- complete and submit the probate and inheritance tax return to cover the legal requirements and ensure the correct tax is paid.
- help you if your loved one dies without a will

#### **WHAT IS PROBATE**

A Grant of probate (where there is a Will) or a Grant of Letters of Administration (where there is no Will) is the legal order issued by the court to enable the executor or administrator to administer the estate in accordance with the Will or laws of intestacy.

#### **WHEN IS PROBATE REQUIRED**

If the deceased owned a property in their sole name or as tenants-in-common or held assets with financial institutions typically worth £5,000 or more although some banks and building societies increase their individual thresholds. Probate enables them to close bank accounts, sell shares, sign sale contracts, and transfer documents for property.

#### **HOW LONG DOES IT TAKE TO GET PROBATE**

Once the value of the assets and liabilities of the estate are known, the application for probate can be made. If the estate only requires the shorter IHT205 HMRC form, it can be sent direct to the probate court and the grant is usually issued in 5-6 weeks, although there may be delays in the current circumstances.

If the full IHT400 HMRC form is required, this together with any initial inheritance tax due must be sent to HMRC first and a receipt obtained which can add a further 4-5 weeks onto the timescale.



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## HOW MUCH DOES IT COST

Walsh West Estates & Probate Lawyers offer a range of fixed fee and time-based services depending on the activities required.

### Grant of Probate Only – Fixed Fees Examples

In the majority of cases we charge a fixed fee for this service which depends on the complexity of the estate.

Our fees start from £1,500 exclusive of VAT of 20% for an estate which will not pay inheritance tax (IHT) and will not require tax allowances to be transferred from another estate (often referred to as a transferable nil rate band application). The normal range of fees for such work range from £1,500 to £3,500.

If the estate will pay IHT our fees start from £3,000 but in order to provide a fixed fee or estimate of our fees we would require information about the estate so that we may understand the work required. The normal range of fees for such work range from £3,000 to £6,000 but can exceed this, for example if cases involve complex assets or gifts were made by the deceased which require in depth reporting to HMRC.

Where we are instructed to obtain the Grant of Probate only, our involvement ends once the Grant is obtained. From thereon it will be the responsibility of the executors to fully administer the estate.

### Fixed Fee Services – where a full IHT return is not needed

- Obtaining a Grant of Probate (IHT205 form) - £1,500 plus VAT @ 20%
- Obtaining a Grant of Probate claiming a double nil rate band (IHT205 and IHT217) - £1,750 plus VAT @ 20%

### Fixed Fee Services – where a full IHT return is needed

- Obtaining a Grant of Probate where a full IHT return is due, but no tax is payable (IHT400) £1,500 to £3,500 + VAT @ 20%
- Obtaining a Grant of probate where a full IHT return is due, and tax is payable (IHT400) - £3,000 to £6,000 + VAT @ 20%



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### **Fixed Fee Percentage Rate Services**

We offer our Full Probate & Estate Administration Service on a fixed fee percentage rate, whereby the total cost is a percentage of the total gross value of the assets that we deal with.

**Our Flat Fixed Fee % fees range from 1.0 to 3.0 %.**

This is generally the preferred basis of charging as it is simple and transparent for the executors and involved parties.

### **Time based services / Time based + %**

Fees are based on hourly rates (excluding VAT, which is charged at the prevailing rate which is currently 20%) which range from £150 to £280 depending on the seniority and experience of the individual advising. We will always ensure that the right person at the right level manages your matter with the appropriate level of supervision.

This fee scale is a guide only. We will send you a questionnaire to complete so that we can establish how much work will be involved in administering the estate before giving you an accurate estimate. In most situations, we can offer you the choice of a time-based estimate range or a fixed rate quote to meet your specific circumstances.

If our work is carried out on an hourly rate basis we may also charge an amount calculated by reference to the value of the gross balances of the estate. Such charges would of course be agreed at the outset and range from 1.75% to 2.75%. This value element of our fees reflects the risk taken on by the firm in handling the estate's assets.

### **Full Estate Administration – Fixed Fees Examples**

Where possible we will provide the option for this to be carried out on a fixed fee basis. Examples where a fixed fee may not be possible include:

- i. Highly complex assets, for example complex business assets for which the extent of our involvement cannot be gauged at the outset
- ii. Overseas assets
- iii. Complex tax considerations or likelihood of HMRC investigation
- iv. Likelihood of a challenge to the Will or someone challenging the distribution of the estate

We may still be able to provide a fixed fee by excluding such elements from the fixed fee and charging those at our hourly rates.



Simple Estate Example and Price Guide - Estate value £150-£250k

Valid Will with 1-2 executors acting	Up to 4 pecuniary (cash) legacies
Up to 4 residuary beneficiaries	No trusts/disputes or claims
Up to 2 bank/building society/liquid assets	No inheritance tax to pay
Up to 1 property	HMRC shorter return (IHT205) required

**PRICE GUIDE: Full Estate Administration 1.0-2.5%** – in the region of £1,500 to £6,250.

EXAMPLE 1:

- ✓ Estate Value: £150,000
- ✓ Valid Will
- ✓ 2 beneficiaries
- ✓ 2 bank accounts
- ✓ 1 property
- ✓ No trusts / no disputes or claims
- ✓ No IHT to pay
- ✓ 2 cash legacies
- ✓ HMRC short return (IHT205)

COST = £154,000 \* 1.0% - £1,500 + VAT @ 20% = TOTAL £1,800.00

Complex Estate Example – Estate Value £500k-£1m

Valid will with up to 4 executors	Straightforward intestacy position
Over 4 pecuniary legacies	Over 4 residuary beneficiaries
Trust in the will or a connected lifetime trust	Minor beneficiaries
Multiple cash assets	1 or more property
Investment portfolio/ shareholdings	Complex estate accounts/devolution
HMRC full return (form IHT400) required	Inheritance tax payable
Income tax returns to be completed	

**PRICE GUIDE: Full Estate Administration 2.55-2.75%** In the region of; £12,750 + VAT = £15,300 (£500,000 \* 2.55%) to £27,500 + £33,000 (£1M \* 2.75%)

It is often difficult to know whether any of these factors will be relevant at the outset of the matter and they may only become known once a quote has been provided and a degree of work has already been undertaken on your behalf.

As soon as we are aware of any factors that will impact on the level of professional fees and/or disbursements (see below) payable, we will notify you and provide you with an indication of the likely impact.



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### Matters in all Estate Administrations which may give rise to additional costs

- No Will (Intestacy) or proving a missing or damaged Will, Registering the death, or arranging the funeral
- Large number of individual shareholdings, or managed portfolios
- Arranging property insurance and managing the utility accounts until a property is sold
- Complex inheritance tax situations, including claims for agricultural or business assets
- Missing beneficiaries
- Disputes between executors and/or beneficiaries

**Disbursements – third party costs which may be incurred during the administration. We will handle the payment of these disbursements on your behalf to ensure a smoother process (all figures inclusive of VAT if applicable)**

- Probate Court fees (£273) and office copies (£1.50 per copy)
- Will, Creditors and Financial Asset Searches (£114, £124.32 and £192)
- Bankruptcy searches (£2.40 for UK, £100 estimated for overseas)
- Statutory notices (£200+VAT estimated)

*Dependent on the nature of the estate there may also be valuation fees, estate agents commission and conveyancing costs, and any taxes payable to HMRC in the estate.*

### Timescales – how long will it take:

#### 1 - Grant of Probate Only

**For our Obtaining the Grant of Probate services:** We would expect the executors to provide us with all the valuations of the estate assets and liabilities, and information required in order for us to complete the application forms to obtain the Grant of Probate. We will provide a template for the information we require. We would expect to draft the papers for signing and apply for the Grant in 2-3 weeks following receipt of the information

The Grant of Probate should issue 3-4 weeks after that if a full IHT return is not required, or if a full return is required, the time to issue should be 6-8 weeks, subject to Probate Court and HMRC turnarounds.

#### 2 – Full Estate Administration

**For Full Estate Administrations:** where we will notify companies, beneficiaries and arrange valuation of the assets and liabilities, we would expect to be able to apply in 4-10 weeks depending on the complexity of assets. The issue of the Grant would then be as detailed above, subject to making any arrangements for payment of inheritance tax required.



Once the Grant of Probate is issued, we would arrange to collect in the assets, pay any liabilities and expenses, pay any legacies and distribute the estate. This can take between 2-4 months for simple estates and can take between 6-18 months for more complex estates where delays can be encountered through agreeing the inheritance tax position, selling the property, dealing with the investments, and settling the income and capital gains tax position.

A full set of estate accounts will be produced for the executor's approval at the end of the administration before final distribution which will be sent to the residuary beneficiaries when making final distributions.

### The details - Grant of Probate

Work involved	Timescales
Review of the will and executor's duties	At initial meeting – 1 week
Review of the assets and liabilities / Consider any appropriate nil rate bands, allowances and exemptions and gifts affecting the inheritance tax position / Prepare IHT400 and the Application forms / Legal Statement, calculate any tax owed, advise on timings and options for payment	2-3 weeks from when information received from executor
Arrange for signing of inheritance tax forms and Application forms / Legal Statement / Submission of forms and request receipt for payment of IHT	1-2 weeks dependent on meeting arrangements
Submit application to the Probate Court, with the tax receipt to obtain the Grant of Probate	3-4 weeks after above
Issue of the Grant of Probate by the Probate Court and the requisite number of office copies to pass to executors to collect and distribute the assets of the estate	Currently 6-8 weeks from submission (would usually be 2-3 weeks)
Additional Service:	Timescales
Consider IHT loss relief claims on assets sold by executors, report any corrective figures to HMRC, deal with any HMRC queries and obtain IHT clearance	2-3 months once details provided by executors <i>** time based fees apply</i>



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### The Details - Full estate administration

Work involved	Timescales
Review of the will and executor's duties	At initial meeting - 1 week
Prepare and submit statutory notices to claimants in the London Gazette and local press and undertake Will and asset searches for later Wills or unknown assets in the deceased's name. Review of assets and liabilities and obtain valuations	3-6 weeks depending on assets
Contact all beneficiaries and advise them of their entitlement	3 weeks unless later contact agreed with executor
Consider any transferable nil rate band etc.	4-6 weeks once asset details known
Prepare the relevant tax forms (IHT205 or IHT400) and provide Statement of Affairs to executor/ Calculate any tax owed, advise on timings and options for payment	5-8 weeks depending on asset information received
Arrange for signing of IHT papers and statement of truth	1-2 weeks after above
Pay any IHT due, submit the IHT form and obtain receipt from HMRC	4-6 weeks after above
Apply to the Probate court to obtain Grant of Probate and requisite number of office copies	Currently 6-8 weeks after above (would usually be 2-3 weeks)
Collect assets, pay outstanding liabilities, reimburse Executors' expenses, and pay legacies	Up to 8-10 weeks from issue of Grant
Send a Beneficiary Statement of Affairs to the residuary beneficiaries and correspond with executors and beneficiaries regarding the transfer of assets and distribution of the estate.	Up to 8-10 weeks from issue of Grant
Consider IHT loss relief claim on assets sold by executors, report any corrective figures to HMRC, deal with any HMRC queries or additional payments including income tax and capital gains tax and obtain IHT clearance.	Depending on realisation of assets timescales, e.g. sale of property
Prepare estate accounts for executor approval, pay balance to beneficiaries and prepare tax deduction certificates	2-4 weeks of administration being complete