

Pricing: Probate



| Pellys

Service

We provide a personal service by highly skilled legal professionals. Collectively, we have more than 70 years experience.

The team:

Daniel Whiddett is head of department with over 17 years post qualification experience.

Duncan Strachan is a senior solicitor with over 30 years post qualification experience.

Teresa McCutcheon is a senior CILEX practitioner with over 20 years experience

Lucy Gold is a solicitor and has over 5 years post qualification experience

Steve Watkins is a trainee solicitor, and has over 2 years experience.

We very much appreciate that first meeting with the Executors and close family, to collect key information, offer early advice, take instructions and to get to know each other. We never forget that winding up an estate is not just about money. Our clients and family are grieving.

Life is frequently more complicated than we first anticipate. We expect to be discussing the estate frequently as the weeks and months go by. There are many decisions to be made, technical issues to address and we also get involved in down to earth questions such as how best to sell property or deal with beneficiaries. Our clients benefit from our extensive knowledge and practical judgment.

What is covered

We expect to obtain the Grant of Probate, call in the assets, pay the debts and distribute to the beneficiaries.

Specifically:

- Obtain valuations of all the assets and liabilities in a form that complies with HMRC requirements
- Draft the Inland Revenue Account
- Calculate the Inheritance Tax, after claiming exemptions and reliefs
- Arrange payment, usually it is possible to pay the tax from assets in the estate. (Not all estates are taxable.)
- Draft the Oath and obtain the Grant of Probate (Letters of Administration where there is no Will)
- Call in the assets
- Pay the funeral, debts and costs of the administration
- Draft Estate Accounts
- Arrange distribution

There are many other things which are relevant not mentioned above or which come up. We always consider not just what needs to be done but also the cost involved. For example, if a family member lives near the house and is prepared to deal with the utilities that is work we do not have to do and therefore not charge for. This is a simple example of what we do: we identify the issues, simplify where possible and agree not just what has to be done but who is going to do it. We continue that conversation right up to the end and distribution.

We hold the monies for the estate and proceeds of assets on Client Account, a ledger opened specifically for this purpose. The Estate Accounts clearly set out what monies came in, what was paid out and how the beneficiaries individual shares are made up.

What is not covered

We do not normally complete tax returns.

Time Estimates

For a simple estate the administration can take between 6 and 9 months. It could be less.

However, there are many reasons why it can take longer. For example, we rely on our clients to give full and prompt instructions. The institutions, such as banks and so on may not be as efficient as we would wish. It can take time to find a buyer for the house and for the sale to complete. Chains can cause delay, and these are outside of our control.

In more complex matters involving Inheritance Tax or trusts this timescale could be significantly longer. Shares very frequently take time to investigate and sell or transfer.

Foreign property, such as a holiday home is likely to take much longer to administer. Foreign taxes could be payable, possibly in addition to Inheritance Tax in England.

The Department for Work and Pensions frequently make enquiries to see if full disclosure of assets, savings and income has been made by the deceased where means-tested benefits were being paid.

If there are disputes between beneficiaries or with the Personal Representatives, this can cause serious delays. If there is a claim under the Inheritance (Provision for Family and Dependents) Act 1975 this is also likely to cause a significant delay.

Costs

One estate varies so much from another and complications frequently arise. It is therefore difficult to predict at the outset what the final costs will be.

We assess our fees by reference to the time involved and the value of the estate. This is fair to our clients and fair to us. If there is a lot of work to be done the bill will be higher. If there is not so much to do, then the bill will be lower.

Time

This is all the letters, emails, telephone calls, attendances and meetings, preparation, drafting documents and so on, to which an hourly rate is applied. Hourly rates are divided into 6 minute units (10 units is the equivalent of one hours work).

Our current rate for Daniel Whiddett and Duncan Strachan are £350 per hour plus VAT (at 20%)

Our current rate for Teresa McCutcheon is £300 per hour plus VAT (at 20%).

The current rate for Lucy Gold is £300 per hour plus VAT (at 20%).

The current rate for Steve Watkins is £250 per hour plus VAT (at 20%).

Value

This reflects the firm's responsibility in holding monies, drafting Estate Accounts paying debts and expenses and distribution to the correct beneficiaries:

When we act for the Directors in this firm as the Executors, it is calculated at the rate of 1½% of the gross value of the estate and at ¾% for the house.

Where we act for lay Personal Representatives the figure is 1% for the gross estate and ½% for the house.

The gross value of the estate for these purposes includes all assets described in the Inland Revenue Account, any share of jointly owned property not passing under the Grant and interests in trusts, for example.

The time and value elements are then added together before we assess the firm's fees. VAT at the current rate of 20% is added to the total. We do not keep our fees a secret until the end which might be a surprise. We raise interim bills at appropriate intervals. It also helps the firm as otherwise we would have to cover our overheads for an extended time. Further, our clients can see the progress being made and gauge what remains to be completed. We aim to manage the whole process, including the payment of fees. Most of the time professional fees are paid out of monies we hold in the estate.

Disbursements (payments required to third parties)

The Oath fee is £5 plus £2 for the Will and each Codicil, if any. This is the fee for each Personal Representative. The Court fee is £155 plus £0.50 for each additional sealed copy of the Grant of Representation.

There may also be Land Registry fees to obtain details of the title and to transfer the property. The latter are based on the value of the house or flat.

Overall Guide

To provide some guidance, the time element mentioned above expressed as a proportion of the gross value of the estate is likely to be between 3% and 6%. The figure is frequently higher than 3% but could be lower.

It is very rare that the fees will exceed 6%. With a small estate of say £25,000 we would recommend that we should not be instructed because the fees could be a significant sum compared to the total estate. Nevertheless, Executors might insist due to tensions in the family or because of ill health or a similar reason.

It is important to stress this is only a guide as the fees are calculated as described above.

