

## **PROBATE**

### **OUR APPROACH TO PRICING**

#### **What is probate?**

Probate is a term commonly used to describe the administration of a person's estate after they die. The word comes from 'Grant of Probate' which is the document issued by the Probate Registry confirming who is entitled to administer the estate. If a person dies without leaving a Will, the rules of 'intestacy' apply and rather than a Grant of Probate, letters of administration are issued to the next of kin specified by these rules. We will refer to these documents as "Grants" in this note.

We understand that for recently bereaved relatives and friends, the process of obtaining the Grant and administering an estate can be time consuming and stressful we aim to try to guide you through the process and work with you in taking on tasks that you might consider challenging leaving you to deal with any task that you feel able to take on yourself where you feel able to mitigate costs

#### **What will affect the cost of our work?**

No estate administration is exactly the same, and our fees will reflect your particular requirements and circumstances. Factors which may affect overall costs include the size of the estate, whether the deceased left a Will, if the Will is valid, the nature and value of the assets, if the beneficiaries/family/dependents agree the terms of the Will and whether Inheritance Tax is payable from the estate, the complexity and, therefore, the level of seniority required. We also take factors such as time constraints for the matter into consideration.

For example, dealing with an extensive estate where the deceased didn't leave a Will, would have a number of added complexities and cost more than dealing with a simple estate where the Will set out clearly how to deal with the deceased's assets.

These factors mean that we can't give you a reliable estimate of our fees until we have details of the nature and size of the estate and any potentially complicating factors such as family tensions; lost deeds or share certificates or foreign assets.

#### **What are our typical fees?**

Our fees for dealing with an estate administration start from £3,500 (£4,200 including VAT). We would charge £3,500 (£4,200 including VAT) for a simple "Grant Only" application, i.e. obtaining the Grant on the Personal Representatives' behalf. This would be on the basis that the Personal Representatives provide us with all of the probate valuations and information required to ascertain the reportable values to the Probate Registry and to produce the necessary paperwork for the application for the Grant.

Where a HM Revenue and Customs – HMRC Return is required our fees may be higher and in the region of £6,000 to £8,000 (£7,200 to £9,600 including VAT).

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To ensure the Personal Representatives provide all the necessary information, we will ask you to complete a questionnaire. We would then deal with any HMRC returns and make the probate application on your behalf to the Probate Court.

To assist fully with an entire estate administration, our fees will depend on a number of factors, including family dynamics, the complexity of the assets held or the liabilities of the estate. Our fees are likely to be between 2% to 3% of the gross value of the estate plus VAT. This is, however, only an indication of the fees and may not be reflective of the simplicity or, conversely, the complexity of the estate, regardless of its gross value.

Once we know enough about the estate which can sometimes take several months, we will be able to provide you with an estimate of what this firm's fees may come to. If we identify unexpected complications, we will always inform you as soon as we can, and will discuss the potential consequences with you before any extra charges are incurred.

Please note that the figures quoted in this document do not include additional fees and costs that may apply for any conveyancing work needed for property or land in the estate, or for preparing and submitting any Income Tax returns which may be required in the course of the estate administration, or for advising on and preparing any declarations of trust relating to the estate or its assets.

Details of our pricing associated with residential conveyancing can be found [HERE](#).

### **What is the basis of our charges?**

The costs quoted here are based on our standard hourly rates for those individuals who work on these types of matters. Michelmores' standard hourly rates range from £195 to £640 (£234 to £768 including VAT) with different types and complexities of work being dealt with at different rates and levels of seniority. The rates for those working on your matter, and an indication of timescale and costs, will be confirmed if you decide to instruct us.

In addition to our fees for our time spent dealing with the matter, there may be additional costs that you have to pay, these are called disbursements. Disbursements are sums of money which we would pay out to third parties on your behalf in connection with your instruction. More details about disbursements are set out below.

VAT will also be charged on our fees and usually on disbursements.

We will be able to give you details of the individuals who would work on your matter, if you decide to instruct us.

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### Timescales

The timetable for obtaining a Grant will depend on the nature and complexity of the estate. An indication of likely timescales to obtaining the Grant is below.

ACTION	LIKELY TIMESCALE
Simple Grant of Probate (or letters of administration where the deceased didn't leave a (valid) Will)	Approximately 4-6 months to obtain Grant
Full Administration: simple estate	Approximately 4-6 months to obtain Grant
Full Administration: moderately complex estate	Approximately 4-6 months to obtain Grant
Full Administration: complex estate	Approximately 6-8 months to obtain
Collecting in the assets which make up the estate	Approximately 1-3 months after obtaining Grant
Interim distributions (in the event that there are no complexities)	Approximately 6-10 months after obtaining Grant
Dealing with any administration period income tax returns	Approximately 1-2 months after collecting in all the assets and receiving tax details from asset providers
Circulating estate accounts and dealing with final distributions	Approximately one month after all tax clearances have been given by HMRC (Inheritance Tax and administration period Income Tax)

For moderately complex estates it may take up to 12 to 18 months for the administration to be fully concluded, even though it is usually possible for the majority of the estate to be distributed before then, depending on the circumstances and the nature of the assets within the estate.

Examples of matters which may arise which can lead to delays in the process and further costs being incurred include:

- The Will is not valid or is contested
- A claim is brought against the estate by someone who alleges that the Will failed to make reasonable financial provision for them

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- A property within the estate takes longer to sell than anticipated, or does not sell
- Share certificates or the deeds to property are lost.
- HM Revenue & Customs makes enquiries in relation to any of the returns submitted in relation to the estate
- The estate is not wholly based in the UK
- The estate is insolvent or partially insolvent
- There is a significant number of people who are entitled to receive a distribution from the estate.

There may be additional costs that you have to pay, which are disbursements. Disbursements are sums of money which we would pay out to third parties on your behalf in connection with your instruction.

VAT will also be charged on our fees and usually on disbursements.

### What other costs may be incurred?

Our fees do not include any external costs and charges that we may incur as part of the administration (e.g. tax, penalties, repayable benefits, fees and charges). These are disbursements.

There will be a number of additional costs that will need to be paid as part of the process; these come under the category of disbursements mentioned above and examples of these are set out below.

DISBURSEMENT	COST (EXCLUDING VAT)	COST (INCLUDING VAT, IF ANY)
Probate Registry fees	£300.00	£300.00
Extra copies of Grant of Probate	£1.50	£1.50
S27 Trustee Act Notices	Approximately £200.00	Approximately £240.00
Asset and Will Traces	Approximately £185.00	Approximately £222.00
Land Charges Search Fee	£4.00	£4.80
Telegraphic Transfer Fee	£25.00	£30.00
Printing/Copying (per A4 page)	£0.09 (B&W) £0.49 (Colour)	£0.11 (B&W) £0.59 (Colour)

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If we are required to travel to meetings outside of our offices, we may charge you for the time it takes us to travel to these meetings, and the cost of any other expenses we incur as part of this, for example mileage charges (at £0.45 per mile, £0.54 per mile including VAT), or train or aeroplane tickets.

The estate will be responsible for these items and we will notify you should these costs be incurred.

We charge an administration fee for undertaking identity checks on our clients. This fee is £12 (plus VAT) for each individual client, £30 (plus VAT) for each UK corporate client and £100 (plus VAT) for each overseas corporate client.

Inheritance Tax will be payable for certain estates, depending on their value. Details of the current rates for Inheritance Tax are available at <https://www.gov.uk/inheritance-tax>.

To view our Interest Policy, please click [HERE](#).

### **Is VAT payable?**

VAT is charged at the prevailing rate (which is currently 20%) on all our fees (unless the instructing client is non-resident). VAT will be applied to some of the disbursements which we may incur on your behalf.

### **Who would do the work and how is it supervised?**

Details of the people normally involved in this work are given on our website. Please click [HERE](#).

Each matter will be supervised by a Partner in the Firm. The Partner is responsible for the proper supervision of the lawyers and other staff involved in the matter.

Our Partners are hands-on and involved in day-to-day work and supervision, as well as being key account managers.

### **What happens if you are not happy about our work or about your bill?**

We are committed to providing a high-quality legal service to all our clients. When something goes wrong we need you to tell us about it. This will help us to improve our standards. However, if you have any complaint or concerns about our work or about the bill, see our complaints procedure [HERE](#).