

## **Applying for the grant, collecting and distributing the assets**

The cost of instructing John Hodge Solicitors to assist you in dealing with the administration of an estate will depend on how much assistance you require from us. John Hodge Solicitors can provide two levels of assistance:

1. **“Full Administration” Service** where we assist you with obtaining the Grant of Representation and administering the estate in accordance with all your legal responsibilities under the Will, or under the rules of Intestacy if there is no Will.
2. **“Grant Only” Service** (only available where no inheritance tax is due) where we will assist you in obtaining the Grant of Representation.

### **Our “Full Administration” Service fees:**

Each of our advisers will give you an individual estimate for the estate you are dealing with once they have the details of the size and nature of the estate, the complexity and therefore the appropriate level of experience required by your adviser. Our charges can be based on two factors, a “time element” and a “value element”. The value element is only charged in certain circumstances and if the estate is complex. The most significant element of our charge is the time element which will be charged at the rate applicable for the adviser allocated to your case.

#### **Time Element**

We anticipate that the full administration of an estate will usually take between 25 and 60 hours work at £315 per hour for our most experienced solicitor or £173 for our most junior specialist advisers. The total estimated time element of our costs would therefore be between £4,325 and £18,900 plus VAT.

#### **Value Element**

If the estate you are dealing with is complex our charges could also contain an element based on the value of the estate; the value of the estate reflects the potential complexity of the administration process, the risk involved in administering the estate, and the level of experience required of your adviser. The value element can be charged on the gross value of the estate at a rate between 0.5% and 1.5%, depending on the type of assets contained within the estate.

#### **Total charge**

For example, therefore, if the estate that you are dealing with is simple it may be able to be dealt with by a junior adviser in 25 hours so the costs would be a £4,325 plus VAT (£5,190 inc VAT).

Alternatively, if for example the estate is worth £950,000, is particularly complex and requires the skills of one of our most experienced advisers who would take 60 hours to complete the

matter, the costs could be up to £28,400 plus VAT (£34,080 inc VAT), which is based on a value element applied at 1%.

This range of costs is based on the assumption that there is a valid Will, there is no more than one property, there are no more than 5 bank or building society accounts, there are no other intangible assets, there are between 5-8 beneficiaries, there are no disputes between beneficiaries on division of assets (if disputes arise this is likely to lead to an increase in costs) there are no more than two exemptions or reliefs to claim for inheritance tax and there are no claims made against the estate.

If, for example, there is one beneficiary and no property, costs will be at the lower end of the range. If there are multiple beneficiaries, a property and multiple bank/investment accounts, costs will be at the higher end.

**What is included in Full Administration Service:**

- Taking your instructions as to the extent of the estate and investigating the date of death values
- Provide you with a dedicated and experienced probate lawyer to work on your matter
- Identify the legally appointed executors or administrators and beneficiaries
- Accurately identify the type of Probate application you will require
- Obtain the relevant documents required to make the application
- Complete the Probate Application and the relevant HMRC forms
- Make the application to the Probate Court on your behalf
- Advising as to third party searches to ascertain the value of the estate
- Advise you as to the burden and funding of the inheritance tax liability, check all calculations produced by HMRC, where necessary deal with any enquiries raised by HMRC and negotiate on your behalf with them and if appropriate with the District Valuer's Office
- Dealing with the encashment or sale or transfer of all assets. Making payment of all liabilities and expenses.
- Advising you of any tax liability incurred as executor
- Dealing with the division of the estate between the various beneficiaries in accordance with the Will or under the rules of intestacy if there is no Will
- Compiling fully itemised Estate Accounts showing all receipts and payments and statements of income tax for period of Administration are produced for Beneficiaries

- Liaising with Beneficiaries throughout the period of administration, ensuring that personal representatives comply with their obligations under the GDPR and dealing with any enquiries raised by the beneficiaries regarding the Estate Accounts.

**What is not included in a Full Administration Service:**

- Dealing with Income tax return on behalf of the deceased. It may be necessary to instruct accountants in that regard
- Obtaining valuations of the property and its contents
- Instructing estate agents as to the sale
- Confirming that the property is insured
- Notifying utility companies and the local authority of the situation
- Arranging a sale of a motor car or other belongings
- Dealing with the personal items specifically bequeathed
- Arranging the house clearance
- Dealing with sale of the property on your behalf as executor – a separate fee would be payable if we dealt with the conveyancing on your behalf

However, we can assist with these matters if you would like us to and the cost involved would depend on our level of involvement and time spent dealing with such matters.

**Our “Grant Only” fees are:**

- Where a full estate form (IHT400) is not required – from £1,900 plus VAT (Total £2,280)
- Where a full estate form (IHT400) is required – from £3,000 plus VAT (Total £3,660)

**What is Included in the Grant Only Service:**

The assistance provided with a Grant Only Service is limited to taking your instructions on the value of the estate, preparing the paperwork to apply for the Grant of Representation based on the information provided by you and submission of the application for the Grant of Representation to the court and checking the Grant that is issued by the court.

**What is not included in the Grant Only Service:**

- Obtaining full details of all assets and liabilities of the estate and of the surrounding circumstances
- Obtaining full details in relation to gifts prior to death, any jointly held assets or any trust interests

- Dealing with the administration of the estate after the Grant of Representation has been obtained (including the tax reporting obligations of executors)
- Collection of assets, payment of liabilities, lodging any income tax return, dealing with legacies and bequests, drawing up estate accounts and distributing the final balance

**Additional expenses not included in the Fees set out above:**

Disbursements are costs related to your matter that are payable to third parties, such as court fees. We handle the payment of the disbursements on your behalf to ensure a smoother process.

Disbursements not included in this fee:

- Probate application fee of £300 plus £1.50 per copy
- Bankruptcy (Land Charges Department) searches £2 per beneficiary
- Financial Asset Search (to search for lost or forgotten assets) £198
- Statutory Advertisements in the London Gazette and a Local Newspaper (provides a level of protection to executors for any unexpected claims made after distribution) £250-300.

Further additional expenses may arise if there is no Will, there are assets outside the UK such as shareholdings (stocks and bonds) there is likely to be additional expenses that could range significantly depending on how they need to be dealt with. We can give you a more accurate quote once we have more information.

Other costs that may arise include taxes such as inheritance tax, income tax and capital gains tax.

**How long will the administration take?**

On average, non-taxable estates are dealt with within 9-12 months, taxable estates tend to take between 18-24 months to finalise. Typically for a non-taxable estate, obtaining the grant of probate takes 3-6 months, collecting assets then follows, which can take a further 6-12 weeks. Once this has been done and all necessary creditor and tax clearance obtained, we can distribute the assets, which normally takes 6-8 weeks.

These timescales will also very much depend on how quickly the Probate Court issue the Grant and (for taxable estates) the time taken by HMRC to provide clearance on the values and information submitted in the Inheritance Tax Account.