



Our Estate Administration Prices, the stages of the process and what is included in our service

Our Estate Administration Prices, the stages of the process and what is included in our service

We know from our many years of experiences that there is no such thing as a typical Estate Administration. For us to be able to act for you, you will need to be appointed as Executor by the Will or if your loved one died without having made a Will, you or a family member may be entitled to instruct us to administer the estate under what are called the Intestacy rules. In giving you an idea of the likely level of our fees we will look at the many variables that you may be faced with, such as whether there are lots of different shares or investments or none at all, whether there is only one or many beneficiaries to whom the estate is to be distributed, whether there is more than one house or flat, whether there is property or assets abroad, whether there is valuable art work or valuable collections. We can agree with you that we will deal with everything or only deal with certain aspects of the estate, if for example you wish to conduct some of the administration yourself.

To give you an idea of how our fees are calculated here is an example of the sort of estate that can arise and how we would charge for our work on it:

EXAMPLE ESTATE PRICING

Example 1

The estate of the deceased person had one property valued at £500,000 in which he lived with his wife who is still living there. There were two building society accounts, one in the deceased's sole name and one in the joint names of the deceased and his wife with £50,000 in each. There were shares owned by the deceased in BT and British Gas to the value of £50,000. The sole beneficiary of the deceased's estate is his wife. There is therefore no Inheritance Tax liability. The deceased had a final salary scheme pension, which will transfer to his wife. The deceased's son is the Executor.

We are instructed by the deceased's son to deal with the whole of the administration of the estate.

Having looked at the above information we are able to give a quite tight range of likely costs to the Executor as follows:

Our job will be to notify the banks of the deceased's passing, collate valuations of all the assets in the estate, apply for the Grant of Probate, collect the assets of the deceased and distribute them to his wife so that she then will be the owner of all those assets. We would take the instructions of the Executor as to whether he wants the shares to be sold or transferred to his mother. The deceased's son said that he would arrange and pay for the funeral, contact the pension company to tell them about his father's death and arrange for the transfer of the pension to his mother. He would like us to deal with the banks, transfer the property and sell the shares to convert them to cash.

We anticipate for an estate like this it will take between 15 and 20 hours of work at £240 including vat per hour. Our fees would therefore be estimated at between £4,320 including VAT and £5,760 including VAT plus a value element for which see below. For the hourly rates of our team members please see the link to each of their biographies.

“Value Element”

To reflect the responsibility placed upon us when dealing with something of value, the Law Society has set guidelines for solicitors in determining the value element. It is usual to divide the estate (the total value of the assets left after a death) into two parts:

- The value of the deceased’s home
- The value of the remaining estate

The following percentages would usually be applied except in unusually complex cases e.g. disputed Wills, missing beneficiaries, overseas assets etc. when the percentages may be higher:

1. The deceased’s home - 0.5% of the value
2. The rest of the estate - 1% of the value

Therefore in this case, as the property passes by survivorship to the widow, as does the joint bank account, the value of the assets in the estate in fact amounts to £100,000. Therefore, in addition to the hourly rate range of £4,320 to £5,760 including VAT we will add in the above example the value element of £1,200 including VAT (1% of £100,000 plus VAT)

Disbursements

Added to our fees will be “disbursements” which are costs in addition to our fees related to your matter that are payable to third parties. Not all of these will be incurred in every matter. They are (including VAT where payable):

- | | |
|--|---|
| • Probate Registry Fee (for registering the Grant) | £155 |
| • Additional Court copies of the Grant document | £0.50 each |
| • Statutory Notice in London Gazette | £84 |
| • Statutory Notice in local paper (e.g. Worthing Herald) | £95 (approx., as these vary according to publication) |
| • Estate Accounts programme fee | £109.80 |
| • Office Copy Entries | £3.60 |
| • Bankruptcy searches (England) | £2.40 |
| • Unclaimed Assets Register Search fee | £25 |
| • File storage fee | £12 |

Banking Charges

The following charges apply to any funds sent to beneficiaries:-

- CHAPS, which is same day electronic transfer of funds direct to the bank account - £30 plus VAT, making a total of £36;
- Electronic Banking Payments, which is the electronic transfer of funds direct to the bank account that takes up to three working days – no fee.

So the total costs including our fees based on the time the work takes, the value element and disbursements and vat for acting for the Executor on the administration of the example estate mentioned above will be between £5,803.80 and £7,447.80.

Example 2

The estate of the deceased person had one property valued at £500,000 in which she lived alone, as her husband passed away some 6 years ago, leaving the entirety of his estate to his wife. There is one building society account with a balance of £50,000 and a current account with the same bank with a balance of £2,000. There are a number of small shareholdings, held with BT, British Gas, Santander and Barclays to the total value of £5,000.

The deceased left legacies of £5,000 to each of her 6 grandchildren, who are now all over the age of 18 and divided the remainder of her estate equally between her three adult children.

The deceased's eldest son is the Executor.

We held a meeting with the Executor, and agreed what aspects of the administration the Executor would like to deal with himself, and which he would like our assistance with.

The Executor said that he would arrange and pay for the funeral, and would make sure that the property was visited for insurance purposes, and he would also arrange for the valuation, clearance and distribution of the contents of the property.

The Executor would like us to notify the banks of the deceased's passing, collate valuations of all the assets in the estate, apply for the Grant of Probate, arrange for the sale of the property and distribute the funds to the various beneficiaries. He would also like us to deal with the placing of Statutory Notices, a search of the Unclaimed Assets register and also to finalise the Income Tax position with HMRC, both up to the date that his mother passed away, and also for the administration period.

We anticipate for an estate like this it will take between 35 and 50 hours of work at £240 including vat per hour. Our fees would therefore be estimated at between £10,080 including VAT and £14,400 including VAT plus a value element and disbursements for which see below. For the hourly rates of our team members please see the link to each of their biographies.

Value Element and Disbursements

The value element in this case is for the entirety of the estate, as all the assets are now being dealt with. The property, valued at £500,000, multiplied by 0.5% gives £2,500 plus VAT and the remainder

of the estate valued at £57,000 multiplied by 1% gives £570 plus VAT. This makes a total value element, inclusive of VAT of £3,684.

So far as disbursements are concerned, four copies of the Grant are required, and as there are nine individuals receiving legacy payments, there will be nine bankruptcy searches undertaken. This gives total disbursements, including VAT of £508.

The total costs of dealing with the administration of the estate in this second example, including VAT and disbursements will therefore be between £14,272 and £18,592.

Potential Additional Costs

If the estate consists of more shareholdings, different types of investments, more properties, more beneficiaries etc. there is likely to be additional costs that could range significantly depending on the estate and how it is to be dealt with. We will of course give you a more accurate quote for your particular circumstances.

For example if the estate is valued at say £1.5m and has 20 different shareholdings valued at £300,000, 2 houses valued at a total of £750,000, savings of £450,000 and 6 beneficiaries all being given different sums with the main home going to the deceased's wife but the other house being split between different beneficiaries, the total time in terms of hours worked by us will inevitably be much more likely to be in the range of 60 to 100 hours which at an hourly rate of £200 will lead to a cost estimate of £18,900 to £28,500 including vat.

How Long Will This Take?

On average, estates like the one in Example 1 above without the complications are dealt with within three months. The estate described in Example 2 would take longer, depending on the length of time that it takes for a suitable buyer to be found for the property.

Additional complications which lead to additional costs will inevitably mean that the estate will take longer to deal with and then it can be between six and twelve months, with exceptionally complicated estates taking longer. Again we will discuss this with you and give you our best estimate of likely length and of course will keep you up to date as to this as the work progresses.

The costs depend completely on how much work the Executor or Administrator would like us to do on their behalf. We are happy to help as little or as much as is needed at this difficult time, and recognise that every person and every family dynamic is different.

PLEASE GIVE US A CALL TO TALK THROUGH THE ADMINISTRATION PROCESS WITH US 01903 229999 or EMAIL recw@bennett-griffin.co.uk we'll get right back to you!