

## Administration of an estate

*“The collection and distribution of money, property and other assets belonging to a person following their death.”*

We are all unique – and we all have wildly different ranges of assets, and different arrangements that we want to see applied on our death. Whilst this might be stating the obvious, it also means that we cannot easily tell you here what an estate administration will cost – but we can do two things to help:

- Let you see what is involved in a straightforward estate administration
- Provide you with a tailored costing on request for your individual estate

Once underway, if the transaction becomes more complicated or new elements need to be addressed then we will discuss this with you and come to a revised pricing agreement. We will look at the time that will be involved when suggesting a revised price. The hourly charges upon which we would base that discussion, as currently applicable, are set out at the end of this note.

### Example

What follows is an example of a costing for a relatively straightforward estate administration. We have had to assume some things in making this calculation, and the assumptions are shown below the example. If the estate that you wish to administer falls neatly in to the example then you will find it very helpful – but, if not, please ask us to give you a tailored pricing. We make no charge for providing that outline.

<b>What we charge as our costs:</b>		
Our work in the estate administration		£2,250.00
<b>What we collect from you &amp; pay to others:</b>		
VAT on our costs (at 20%)	£450.00	
HM Land Registry Office Copy Title fee	£6.00	
London Gazette Notice fee	£85.00	
Electronic Identity Check fee	7.20	
HM Land Charges bankruptcy search fees	£4.00	
Probate Registry - Grant fee and 4 copies	£157.00	£709.20
<b>Total:</b>		<b><u>£2,959.20</u></b>

The assumptions that we have made in working out the above costings are:

- The deceased left a surviving spouse
- The property was owned jointly with the surviving spouse – and consisted of the family home
- The deceased had not made any lifetime gifts, nor made any special arrangements for a pension or life insurance policies
- There is no non-UK property or asset involved
- The deceased had the following assets (other than the home):
  - One bank account owned jointly with the surviving spouse
  - Two other deposit bank accounts in different banks and a cash ISA in the sole name of the deceased (each holding £85,000 credit balance)
  - A small PLC shares portfolio of 4 different companies
  - A car
- The deceased had no mortgage (and no debts) other than the funeral account and the funeral tea
- The deceased left a Will (which is not disputed) – which provided as follows:

- For three cash gifts to charities
  - Everything else to the surviving spouse
- A Grant of Probate is required because of the value of the bank accounts, but also due to the presence of the shareholding
- There are no Agricultural or Business Property Reliefs to claim, and no Inheritance Tax to pay
- The overall time taken would be between 10 and 12 hours split between the relevant fee earners in the firm

### **The Work that we do**

What follows is a description of the typical steps taken by us in the administration of an estate like that outlined above. Please bear in mind that other steps may well be needed depending on the individual circumstances.

- An initial meeting with an experienced solicitor or partner to discuss the situation
- Our initial review and assessment of the estate
- Preparation and issue of our terms of engagement – tailored to the individual estate
- Lodge a Trustee Act Notice with the London Gazette
- Obtain Office Copies of the title from HM Land Registry for the property
- Check transfer of ownership in the car and insurance/road tax arrangements
- Arrange payment of the funeral account directly with the bank
- Apply to HM Land Registry to remove the name of the deceased from the register for the property (and give updated Office Copies to the executor)
- Make a bankruptcy search against the deceased
- Make an electronic ID check for the executor
- Notify the cash legacy beneficiaries as to the bequests in their favour
- Write to the banks, building societies and company registrars to advise of the death, to request valuations of the asset at date of death and any closure/transfer forms
- Have the personal chattels (including the car) valued as appropriate
- Have the property (here the home) valued by a suitably qualified surveyor
- On receipt of the information listed above to then:
  - Prepare the Inheritance Tax return (Form IHT205); and
  - Prepare the Executors Oath
  - Complete the closure forms and transfer/sale forms for the investments
- Review the Form IHT205 and the Oath with the executor, and then arrange for them to be signed/sworn along with the closure/transfer forms
- Lodge the application for a Grant with the Probate Registry
- On receipt of the Grant write with claims to each bank/building society and company registrar
- Provide a copy of the Grant, Will and IHT205 to the executor
- As payments are received into the firm's client account these are carefully noted
- Once all assets are received, with the executor's approval, we pay the cash legacies
- Review the position concerning income tax and any refunds due to the estate
- Prepare a detailed estate account for the approval of the executor and residuary beneficiary
- On approval, a final bankruptcy search (if required) prior to distribution of the assets to the surviving spouse in accordance with the Will
- Storage of the Grant, copy Will and copy IHT205 for later use on the death of the surviving spouse
- Closing meeting with the executor, if requested
- Closure of the file – followed by its archiving for a period of years to be agreed.

**Applicable Hourly Rates**

Partner/Solicitor with a minimum of 4 years' experience:	£250.00
Probate Paralegal:	£165.00
Solicitor Apprentice:	£ 95.00