

## **RATHBONE TRUST LEGAL SERVICES LIMITED**

### **PROBATE SERVICES - PRICE DETAILS**

#### **The probate team**

Our probate team has over 140 years of collective experience in delivering high quality work in all matters relating to probate and estate administration. We have particular expertise in high value estates and inheritance tax matters. We have dealt with estates ranging in value from a few thousand pounds to over £100 million. We have dealt with estates where there are only one or two assets in the UK to others where there are a large number of assets in a number of jurisdictions around the world.

The six persons who may work on a probate matter are Matthew Wakefield, Alexandra Pike, Kerry Shaw, Helen Citron, Amelia Bell and John Billing. Details of all of these persons are set out at [www.rathbones.com/our-services/trust-and-tax/our-legal-team](http://www.rathbones.com/our-services/trust-and-tax/our-legal-team). Regardless of who works on your matter, the matter will ultimately be under the supervision of either Matthew Wakefield or Alexandra Pike (both of whom are solicitors and directors of Rathbone Trust Legal Services).

We charge on a time basis when dealing with an estate but will always do our very best to estimate our likely range of fees, as accurately as we can, at the commencement of a new matter. We will also attempt to keep you as fully informed as possible throughout the matter of both fees to date and any changes to the likely overall fees (and an explanation as to why these changes have occurred). The current hourly rates of our team members are as follows:-

Matthew Wakefield – £390 plus VAT per hour.

Alexandra Pike - £350 plus VAT per hour.

John Billing - £330 plus VAT per hour.

Kerry Shaw - £280 plus VAT per hour.

Helen Citron - £280 plus VAT per hour.

Amelia Bell - £260 plus VAT per hour.

#### **Factors which can influence costs**

The overall cost will depend on the specific circumstances of the estate. As a guide, however, the sort of issues which are likely to make an estate administration more or less complicated, and hence for our fees to be higher or lower, are as follows:-

- The number of assets – One would expect an estate to usually involve a property, some chattels, a bank account and often some investments. However, the more assets there are, the more work will be needed to ascertain, collect and distribute them. In particular, if a deceased had a number of certificated shares or a number of valuable chattels which require specific valuation and consideration, this can increase the amount of time we will estimate it will take us.
- The number of beneficiaries – Where there is only one beneficiary, this can assist in making things much simpler and therefore less costly. Where there are multiple

beneficiaries, all of whom need to be kept informed and updated, ID checked and so on, the estate can take longer to deal with.

- The nature of assets – Certain assets might cause extra work to be required. For instance, if the deceased ran a business, especially one with employees or other ongoing obligations, it can be quite time consuming dealing with the sale of, or handing over of, that business so that this is done effectively. This can lead to a higher overall fee. Also some assets, such as business property and agricultural property, may qualify for a relief from Inheritance Tax (“IHT”) and, if so, this can take a while to put together details for.
- Whether a full IHT return is required – In many cases, HMRC will allow a shorter IHT form to be submitted as part of an estate administration. The rules are a little complex but, for example, the shorter IHT form can often be used where the estate is worth less than the IHT nil-rate band (currently, £325,000) or where the estate is exempt or largely exempt (perhaps because assets are passing to a spouse or charity) and worth less than £1m. However, where a full IHT return is required, this can be time-consuming to compile correctly and so can increase likely fees.
- Lifetime gifts – Where there have been lifetime gifts, especially where these have been made in the 7 years before death, this can cause extra work since it can affect the IHT position on your death. It can take time gathering appropriate details of each of the gifts, and liaising with the donees about the IHT position if there is extra IHT to pay. Where a possible relief or exemption from IHT might apply to the gifts, or where a gift might be caught by the so-called ‘reservation of benefit’ provisions (which can make a gift taxable to IHT which may otherwise not be), this can again take time to deal with.
- Transferrable nil-rate bands – Where relevant, it may be possible to reduce the IHT on your death by claiming an additional tax free IHT allowance as a result of the prior death of a spouse or civil partner. This additional allowance may both boost the ‘normal’ nil-rate band and also the so-called residential nil-rate band. In both cases, investigating the circumstances of the estate of the previous spouse or civil partner to die can be quite time-consuming and can increase the cost of dealing with an estate.
- Whether there are any assets outside of England & Wales (and, in particular, outside of the UK) – If there are, this is likely to involve consideration of the effect of other legal systems and of foreign taxes. It may involve communication with foreign lawyers or notaries for advice and assistance. It is possible that a Grant of Probate, or some similar document or process, will need to be actioned in some or all of these other jurisdictions as well as in England & Wales. The existence of foreign assets is nearly always going to make an estate administration more complicated and hence costly.
- Whether the deceased or a widow/widower/civil partner were domiciled in England & Wales – If the deceased and any spouse or civil partner of the deceased are all domiciled in England & Wales, this is likely to make things much simpler. If there is a foreign domicile to consider then this can make the devolution of assets and the payment of IHT more complicated and hence our fees may be higher.
- Whether there are any beneficiaries outside of the UK – If there are beneficiaries who are resident in other jurisdictions, this can make things more complicated if we

are asked to correspond with their own tax, or other, advisors in order to make the process of passing the assets to them as smooth and effective as possible.

- Trusts – In some cases, a deceased may have been a life tenant of a trust or trusts and the assets of this trust or trusts may also be taxable to IHT on the deceased's death. In this case, we will need to liaise with the trustees since the IHT calculation for the deceased estate takes into consideration the values of the associated trusts. Again, this can take further time and hence cost.
- Self assessment returns for the administration period – we would normally assist with the calculation of any income tax and capital gains tax due during the course of the administration of the estate. If any such tax can be dealt with on an 'informal' basis (and HMRC set out rules for this), it will generally be much simpler, and therefore less costly, than if we have to prepare and submit full tax returns for each tax year covered by the administration period.
- Whether there are any claims against the estate – If there are any claims against the estate, perhaps because someone is alleging that the Will was not properly made or perhaps because they have not been properly provided for, this can lead to higher costs since these claims will have to be considered and perhaps defended against and this can be very time consuming.

#### What is, and is not, included in our quotes

When we quote for estate administration work, we would usually expect our quotes to be in relation to the following services:-

- An initial meeting with the executors, and/or other close family as required, to discuss estate administration in general, to let them know their role and responsibilities and how we might assist. In a probate situation, taking the executors through the terms of the last Will, and any codicils to it, explaining the effect of the Will and discussing any discretions which the executors might have. In an intestacy situation, taking the likely administrators through the intestacy rules as they apply to the particular estate.
- Assisting with ascertaining the nature and value at death of the assets and liabilities of the deceased. This would normally include correspondence with the various asset holders (e.g. banks, investment managers, share registrars) and creditors, correspondence with any valuers needed (e.g. valuers of a residence or of chattels), discussing tax liabilities to death with any accountants and so on. It would also include, where relevant, checking the title to any property (such as obtaining a copy of the title and plan of a property registered at the Land Registry).
- Putting together the necessary IHT papers, whether the shorter version (IHT205) or the full version (IHT400) and any supplementary forms required.
- Preparing an Oath, or Statement of Truth, for the executors to make in relation to the application for a Grant of Probate (for a Will with named executors) or Letter of Administration (on an intestacy).
- Meeting with the executors for the signing of the IHT papers and the making of an Oath or Statement of Truth (and providing an update at that point and guidance as to likely next steps).
- Submitting IHT papers to HMRC and then any subsequent correspondence with them answering any questions which they may have. Checking any statements of account issued by HMRC re IHT.

- For the avoidance of doubt, we would very often be involved in helping to organise the payment of IHT on behalf of a estate (often, via a form sent to the deceased's bank or via our client account) and this would be part of the services provided. However, the ultimate liability to pay the IHT itself does, of course, always remain with the executors or administrators.
- Submitting the Oath, or Statements of Truth, along with the original Will and any codicils to a probate registry and correspondence with them about any questions which may arise.
- Once a Grant has been issued, gathering in assets.
- Organising payment of debts and administration expenses.
- Organising the payment of cash legacies and dealing with any legacies of specific items.
- Preparing accounts for the estate administration period and organising payments to residuary beneficiaries.
- We would usually deal, as part of our estate administration service, with any returns of income tax and CGT required for the period of the estate administration and the issuing of any relevant certificates of income arising and tax paid to beneficiaries.
- We would not normally deal with any tax returns to death for the deceased as part of our service (since there would often be an accountant or other family member dealing with this). However, we can do so on request.
- We would not automatically deal, as part of our service, with the conveyancing of any properties which are to be sold during the course of the administration of the estate. However, we can do so on request. We would, however, normally deal with the Assent of any property which is not to be sold but is to be passed on direct to a beneficiary.
- Our probate quote would not include the ongoing administration of any trust which is created by the last Will or codicil of the deceased. However, we can assist with the this and would be very happy to provide a separate quote.

### Usual Disbursements

Disbursements are costs related to your matter that are payable to third parties, such as court fees. It would be usual for us to make the following disbursements on behalf of the estate during an estate administration to ensure a smoother process (and any such disbursements would ultimately have to be repaid to us out of the estate *in addition* to our estimated quote):-

- The cost of obtaining a Grant of Probate (currently, £273 for estates over £5k) and of obtaining a number of sealed office copies of the Grant (currently, £1.50 per copy).
- The cost of obtaining an office copy of the title any registered property owned by the deceased (currently, £3) and of any registered plan (also, currently, £3).
- The cost of placing 'statutory advertisements' in the London Gazette and a newspaper circulating in the local area of the deceased's home and of any business – this can protect the executors against creditors' claims and can vary but is usually around £150 to £200 plus VAT.
- The cost of certain bank transfers will be recharged to you and these are £15 + VAT per CHAPS payment and £25 + VAT for overseas telegraphic transfers. Payments under £250,000 will be sent by 2 day 'Faster Payment' and will be free unless a same day receipt is required when they will be sent by CHAPS.

- Any Land Registry fees for dealing with the registration of the Assent of a property. These will depend on the value of the property and whether the property is registered or unregistered (in the latter situation the Assent would trigger a first registration which would be quoted for separately). Details of Land Registry fees are published online and an Assent would be a 'Scale 2' fee and range (for an application using the Land Registry portal which we would do) from £20 to £125 where the whole title to the property is being assented.

#### Example quotes

Whilst, as stated above, we will always attempt to give you as accurate a quote at the commencement of a matter as we can, once we have a reasonable understanding of the nature of the assets and issues involved, we would like to give you a few examples of quotes so that you have a better guide to what our fees might be.

#### *Quote 1:-*

Facts: The deceased has left a Will which leaves everything to his widow and also makes her his sole beneficiary. The deceased and his widow were both domiciled in England & Wales at the deceased's death. The deceased owned a house (the matrimonial home) in his sole name, some bank accounts, some chattels and a portfolio with an investment manager. The total value of the estate is £900,000. There are no relevant lifetime gifts and no associated trusts.

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This should be a fairly simple estate to deal with. The circumstances of the estate mean that a shortened IHT form (an IHT205 form) can be used and certain values (such as that of the house) can be ascertained without the necessity of a professional valuation. There should be no IHT due (assuming no other complicating factors). There is only really one person, the widow, to deal with since she is both executor and beneficiary.

We would anticipate that this would take between 15 and 25 hours work. This is likely to lead to costs (depending on the fee earners involved) of between £4,250 and £7,250, plus VAT. The exact costs would still depend on a number of factors, including how much information the widow is willing and able to gather effectively herself. It is likely that one would not need to pay for statutory advertisements in this situation (since the executor and beneficiary are the same person) but the other disbursements set out above would apply.

We would expect that it would take between four and eight months to deal with this estate. Typically, obtaining the Grant might take a little over half of that time.

#### *Quote 2:-*

Facts: As in Quote 1 but the executors and beneficiaries (equally between them) are the deceased's children.

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This is still a fairly simple estate but there will now be a requirement to submit a full IHT return (an IHT400 form), to get a more formal valuation of the property (so that the executors can defend the value to HMRC) and perhaps to correspond at more length with HMRC.

We would anticipate this may take between 25 and 40 hours work which is likely to lead to costs (depending on the fee earners involved) of between £7,500 and £12,500, plus VAT. Due to the possibility of having to correspond with HMRC and to check calculations of IHT from them etc., we would expect that the estate administration would take between eight and twelve months, with it taking around five months to get a Grant.

*Quote 3:-*

The deceased has left a Will which leaves five cash legacies, three legacies of chattels and everything else in trust for her three children equally on them attaining 25 years of age (they are currently all minors). There are separate executors and trustees. There are three properties, a flat in London, a country property and a flat in Australia. There are five bank accounts at different banks. There is a share portfolio held via an investment manager and also a few certificated shareholdings. There is a holding of around £200k in a private limited trading company. There are some chattels, a few of which are valuable (worth over £10k individually). The deceased has made gifts (in trust for her children) of £500k in the 7 years before her death. The deceased's spouse died before her, in 2000, leaving all of his assets to her. The deceased's total estate at death is worth around £5 million.

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This estate will be more complicated to deal with. The executors and trustees are going to need some advice about the nature of the trust for the children. The estate will be taxed to IHT due to its size and a full IHT return will be required. There are three properties to deal with and the one in Australia will require us to correspond with an Australian lawyer in relation to the devolution of it and any Australian laws (including tax laws) which are relevant and need to be considered. Each of the properties should be more formally valued, as should the chattels (especially the more valuable ones) since these values will need to be defended with HMRC. It is likely that a business property relief application might be able to be made in relation to the £200k private company shares (which could save around £80k of IHT). It is likely that the deceased may have a transferrable nil-rate band available from her former spouse which will need to be investigated and claimed (and this could save around £130k of IHT at current rates). The gifts will have to be reported and any IHT paid in relation to these (and this may involve a liaison with the trustees of the pre-existing children's trust who will be ultimately liable for any IHT on the gifts).

We would anticipate that this may take between 75 and 125 hours work which is likely to lead to costs (depending on the fee earners involved) of between £23,500 and £38,500, plus VAT. Due to the various complications, we would expect that the estate administration to take between one and two years, with it taking around eight months to get a Grant.

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