

PAYNE HICKS BEACH

FEES INFORMATION FOR PROBATE WORK

Probate work at Payne Hicks Beach is handled primarily by Emma Harris, a Partner, and her team.

Where the deceased was a client of the firm, the partner who looked after his or her matters will usually be the client partner on the deceased's estate and will supervise the administration.

Probate may involve particularly complex areas of tax law and/or other areas of law, and the client partner or another member of the Private Client department will provide the additional input on those areas where required.

This document sets out the key stages of work in the administration of an estate, the likely timeframes, elements which may increase the time spent and the likely fees involved.

KEY STAGES OF WORK IN THE ADMINISTRATION OF AN ESTATE AND LIKELY TIMEFRAMES

1. Application for the Grant and likely timeframe

1.1 The stages in applying for the Grant are generally to:

- 1.1.1 establish whether there is a valid Will and who the executors or administrators of the estate will be (referred to collectively as the personal representatives ("**PRs**"));
- 1.1.2 identify all debts owed by the deceased at death;
- 1.1.3 establish the assets within the estate and their value as at the date of death;
- 1.1.4 make an application to the Probate Registry;
- 1.1.5 complete the Inheritance Tax ("**IHT**") account of all assets, debts owed by the deceased and deductible liabilities, such as funeral expenses;
- 1.1.6 consider whether to claim the transferable nil rate band, the residence nil rate band or the 36% IHT rate where 10% of the estate has been left to charity;
- 1.1.7 consider how to fund IHT; and
- 1.1.8 pay IHT so that a Grant of Probate or Letters of Administration, known collectively as a Grant of Representation (the "**Grant**") can be issued by the Probate Registry.

1.2 The likely timeframe for the application stage will vary according to whether there is a valid Will, the size of the estate, the nature and location of the assets, the ease with which they can be identified and valued and whether we are relying on third parties for information. However, in general:

1.2.1 in simple cases, a Grant may be obtained within 4-6 months from death; and

1.2.2 in more complex cases, a Grant may take 9-12 months to deliver.

2. Estate administration and likely timeframe

2.1 The stages in the administration of the estate are generally to:

2.1.1 call in the estate assets to pay debts owed by the deceased and to meet the cost of any testamentary and administration expenses, including the payment of IHT and any other taxes;

2.1.2 locate the relevant beneficiaries;

2.1.3 appropriate assets to the beneficiaries and/or distribute the proceeds of sale of assets; and

2.1.4 finalise the pre- and post-death Income Tax and Capital Gains Tax position with HMRC and finalise the IHT position with HMRC.

2.2 The likely timeframe can vary hugely at this stage, depending on the complexity of the estate, interactions with HMRC and beneficiaries, whether distributions need to be deferred to protect PRs from personal liability and whether assets are to be sold or transferred. However, in general:

2.2.1 in simple cases, assuming there is no reason to defer distribution, the administration stage may take 3-6 months from the date of the Grant; and

2.2.2 in more complex cases, this stage may take 6-12 months, depending on the resolution of the particular issues involved.

3. Estate accounts

3.1 Interim estate accounts are often produced during the administration stage.

3.2 The final accounts are provided when the administration stage is completed.

COMPLICATIONS IN PARTICULAR CASES WHICH ADD TO THE TIME SPENT ON THE ESTATE

1. There can be additional time requirements in estates where the deceased:

- 1.1 was not up to date with the preparation of lifetime personal tax returns;
- 1.2 made lifetime gifts;
- 1.3 owned international assets and/or was non-UK domiciled;
- 1.4 owned assets, such as unquoted shares and land, where HMRC has not accepted the initial date of death valuation;
- 1.5 owned agricultural and/or business assets; and
- 1.6 had a life interest in a settlement or trust which came to an end on death.

2. Other potential complications increasing the time spent on an estate include:

- 2.1 disagreements between the beneficiaries and/or PRs;
- 2.2 beneficiaries who feel that they have not been adequately provided for;
- 2.3 post-death tax planning, including deeds of variation within two years of death; and
- 2.4 where the Will contains a discretionary trust.

FEES

All fees and disbursements are subject to Value Added Tax (VAT) at 20% where applicable.

1. Hourly rates

- 1.1 The firm charges primarily by reference to the amount of time spent by the relevant fee earners.
- 1.2 Estate administration work is largely supervised by Emma Harris, whose hourly charging rate is £495 (plus VAT). Additional work may be carried out by Dean Ryan, Charlotte Cooper, Adam Woodhouse, Sarah Buechel, Amanda Jardine-Viner, Amanda Wright, Edward Buxton, Dolly Ward and Olivia Cook whose hourly charging rates are £460, £425, £410, £350, £350, £325, £250, £85 and £85 respectively (plus VAT in each case).
- 1.3 Depending upon the nature of the estate there may be some involvement from the client partner or by a member of the Private Client department who is asked to assist by the client partner. The hourly charging rates for other members of the team range from £320 to £725 (plus VAT).
- 1.4 The client or matter partner in question will normally be one of the following:

Name	Hourly rate
Emma Harris	£475
Rosamond McDowell	£650
Martin Paisner CBE	£700
Robert Brodrick	£690
James Bacon	£650
Frederick Bjørn	£650
Basil Dixon	£650
Sam Carver	£640
Jessica Henson	£550

All of the above figures exclude VAT (currently at 20%) and are correct as at 1 June 2024.

2. Fee quotes

- 2.1 When the firm begins work on the estate administration, it will seek to give an indication of the likely fees for handling the estate administration. If complications arise as set out above, the figure quoted may need to be altered and brought to the attention of the PRs.
- 2.2 We will usually provide an indication of the likely fees up to the issue of the Grant. We will usually then give a further indication at that stage, or at monthly or agreed or appropriate intervals afterwards, to cover the work from the issue of the Grant up to the completion of the estate administration.
- 2.3 Experience has indicated that if the estate falls between £1m and £3m, the overall fees are unlikely to exceed 3% of the value of the estate, unless there are complications as set out above.
- 2.4 In the case of very significant estates, the fees would not usually reach 3%. A significant estate does not necessarily give rise to more significant problems than an estate of more modest size.
- 2.5 The general retainer relating to the estate administration would not usually cover work done on the sale or transfer of particular assets, or work to take advantage of post-death tax planning opportunities. This would be costed out separately and by agreement with the PRs and/or beneficiaries.

DISBURSEMENTS

The administration of an estate may include certain additional costs that are payable to third parties. In most cases, these will be met from assets within the estate. On occasion, the firm may be prepared to fund these costs on behalf of the PRs, on an interim basis. In that event, such costs would be added to our fees as a disbursement. These might typically include:

1. Court fees: £300 Not subject to VAT
Plus £1.50 for each Court-issued copy of the grant of representation.
2. Commissioner's fees: ca. £7 Subject to VAT @20%

These fees will apply only in more complex cases which require affidavit evidence. In straight forward cases, only a witness statement is now required, signature of which is not done under oath.
3. Land Registry search fees: ca. £3 per search Subject to VAT @ 20%

These may be required to check the title to real property in an estate.
4. Statutory Notice fees: £200 and upwards Subject to VAT @ 20%
5. Financial Profile search fees: £195 Subject to VAT @ 20%

These costs may be generated to provide PRs with protection from unknown creditors prior to distributing an estate, and include the costs of a posting in the London Gazette and in relevant local newspapers.

10 New Square, Lincoln's Inn, London WC2A 3QG DX Box 40
London, Chancery Lane

Tel: 020 7465 4300 Fax: 020 7465 4400 www.phb.co.uk

VAT registration number: GB 232 667364

The Firm is authorised and regulated by the Solicitors Regulation Authority SRA number: 807106

© Payne Hicks Beach LLP: 1 June 2024