

## **ADMINISTRATION OF AN ESTATE**

### **Costs guidance**

#### **Procedure**

Firstly, we would establish the extent of the client's instructions and hence the retainer we have with the client. This would involve ascertaining the extent of the assets and establishing if a Grant is required. If required, we would then advise whether there is any IHT to pay and explain how it can be paid from the estate, and prepare the necessary documents to deal with the IHT and apply for the appropriate Grant. Even if a Grant is not required, we would need to ensure that the relevant reporting to HMRC has been duly carried out. Alternatively, the client may instruct us only to advise on and complete the application for the Grant so that the PRs can then deal with the administration themselves.

Once the Grant is obtained, we would assist the PRs with the administration of the estate, namely to collect in the assets of the estate, deal with any liabilities and, arrange distribution of the remainder of the estate.

#### **Fees, Hourly Rates & Value Element**

The estate administration fees will depend on a variety of factors, including the nature of the retainer between us and the client – i.e. the extent of the client's involvement, the work we are required to do, including the paperwork and forms that need to be completed (which papers can be simple or complex). It is difficult to estimate fees precisely, since some of the time spent is dependent on the actions of third parties, which are outside our control. We provide an estimate of costs, bearing in mind that the time taken to complete the matter may be more or less than the given estimate, dependent upon any complexities or unanticipated issues which may arise during the administration of the estate. A suitable caveat is included in our Client Care Letter.

Fees are calculated by reference to the time spent by members of W Davies' Private Client Department in dealing with the matter and, in accordance with Law Society Guidelines, an additional percentage charge, between ½ to 1½ % of the size of the estate, may be charged to reflect the responsibility element. Our hourly rates are currently between £165 and £395 plus VAT for the qualified staff dealing with the matter.

This estimate does not include Directors' time for acting as professional Executors, which will be charged at a rate of £395 plus VAT per hour. It is not possible to anticipate the amount of time which will be required to be spent by the Directors, as this will occur on an ad hoc basis.

Since every estate is different, W Davies do not provide a fixed fee for the administration of an estate.

W Davies generally estimate that between 20 and 30 hours of time is required to carry out the administration of an uncomplicated estate. However, this will vary depending on the

complexity of the estate and the individual circumstances. The experience of the practitioner dealing with the matter will also be relevant as the more junior members of the Department may need greater supervision from senior colleagues hence the hours spent may be a combination of hourly rates.

The client can request that costs should not exceed a given figure without seeking their permission to proceed further. A client may request an updating of costs from time to time.

### **Estate Examples**

An example of a straight forward estate would be:

1. There is a valid Will
2. There are no more than two beneficiaries
3. There is only one property
4. There are no disputes involved
5. There is no inheritance tax payable
6. The personal representatives do not need to submit a full Account to HMRC
7. There are no claims made against the estate
8. There are no chargeable gains on disposals made during the administration period

An example of a complex estate would be where the following might apply:

1. There is no Will
2. There are a number of beneficiaries and legatees and some beneficiaries may be charities or may live abroad
3. Agricultural property or business property assets are involved
4. There is Inheritance Tax to pay and a full Account to HMRC is required
5. There are foreign assets involved and domicile issues
6. Tax planning is required including a deed of variation or advice regarding the residence nil rate band

However, even in a simple case, there may be numerous small assets that require attention and time – hence, a varying of the fees.

### **Conveyancing or other work**

We would provide a separate quotation for work such as conveyancing (e.g. sale or transfer of a property) or a contentious matter.

### **Disbursements**

We may have to make payments (“disbursements”) on a client’s behalf to third parties during the course of the matter. Set out below is a list of the disbursements, which we would normally expect to have to incur. Some disbursements may not be foreseeable.

The following list is not exhaustive:

Disbursement	Cost
Grant of Representation Fee	£273 (plus £1.50 per sealed copy); no fees are payable where an estate is worth less than £5,000
Statutory Notices	£200 approximately, dependant on the quotation given by the Legal Advertisements Agency and dependant on which newspapers it is appropriate to use, these notices provide some protection to personal representatives in relation to creditors
Tracked DX for submissions to Court	£5 plus VAT per submission (approximately)
Land Registry Bankruptcy Searches	£2 plus VAT per individual, per search
Land Registry office copies of title	£3 plus VAT (with the Title plan the cost is £6 plus VAT)
Landmark Asset Search	£135 plus VAT
Smart Search ID checks as required by Anti-Money Laundering Regulations	<p>£25 plus VAT per person</p> <p>Please note the ID checks are for Executors/ Administrators and Beneficiaries.</p> <p>Please also note that for overseas individuals, the costs for ID checks will be charged on an individual basis.</p>

## Timescale

In general, it is difficult to provide an accurate timescale regarding the administration of an estate, as we are dependent on the timescales of third parties e.g. banks, building societies and others for obtaining necessary information, and then HMRC and the Probate Registry for obtaining the Grant.

Obtaining a Grant of Representation usually takes between 3 and 9 months. Thereafter, we would pay the liabilities and any legacies, before making interim distributions, where appropriate. We will ensure that all taxation is dealt with and that Executors' Accounts are prepared for approval by the executors. This stage of the administration can take a further 6 to 12 months. The administration of particularly complicated estates can take longer. We consult, advise and take the Executors' instructions throughout.

If a matter is urgent – for example, where inheritance tax is due or overdue – W Davies will prioritise this. Throughout the administration, we also consider any applicable key dates such as the deadline for completing a deed of variation in order to benefit from an IHT advantage.

### **Invoices**

W Davies issues an interim invoice for work carried out once we have received the sealed Grant. Depending on the complexity of the estate, it may be appropriate for us to deliver further interim invoices; usually, this would be on a three- or six-monthly basis, until the administration period is concluded. Fee estimates will be revised, where appropriate.

If, for any reason, a client decides not to proceed with their instructions to us to act, then we will prepare an invoice for our costs on an hourly rate basis, for the period from receipt of initial instructions (to include our first meeting) to the completion of our involvement with the matter.

### **Payment on Account**

W Davies reserves the right to require payment on account of anticipated costs or disbursements.

*Document revised - Feb 2024*