

ADMINISTRATION OF ESTATES

Immediate steps

The death of a loved one - whether a family member or friend - can be a traumatic time. People react in different ways. Some will wish to take some time to grieve, others prefer to do something straightaway. However, there are some things that need to be done soon after death. These include registering the death and arranging the funeral. Once those matters have been dealt with the administration of the loved one's estate can begin but there is generally no need to rush into this if you prefer not to.

The Will

GL Law may store the Will of your loved one. If so, we will need to see a death certificate for them before we can release the Will to the executor(s). If an executor wishes to call in to collect the Will, we ask they bring some proof of identity for themselves and written confirmation from the other executors that they agree to the first executor collecting the Will. If there is no Will, we can explain the procedure.

What help can we give?

At such a difficult and traumatic time, we hope it is reassuring to know that we at GL Law are on hand to help as much or as little you wish. We can assist our clients to administer the estates of their loved ones in different ways.

1. Some of our clients prefer to do much of what needs to be done themselves but like to have the reassurance of a professional on hand to confirm what they are doing is correct as they work their way through, so we can assist on an ad hoc basis as and when required.
2. Some like to deal with much of the administration themselves but need our help with the technical parts such as completing tax forms and obtaining probate.
3. Some clients prefer not to deal with the administration and prefer to hand the full administration over to us but are reassured that it is in good hands and being dealt with properly.

Whichever your preference, we are here to help. We offer an initial fixed fee meeting to discuss what needs to be done and explain how we can help further. Depending on what you decide you would like from us we can then explain the likely costs and what we will need to take the administration forward.

What is involved in administering an estate?

Administering an estate often involves a considerable amount of work which may appear disproportionate to the value of the estate. Unless the estate in the sole name of the deceased person is small (less than £5,000) and does not include freehold or leasehold property or a share in such property, it is likely that a Grant of Probate will be required.

If a Grant of Probate is required, the administration is likely to involve:

- ascertaining the value of the assets and liabilities of the deceased person at the date that they died,
- completing an account for HMRC detailing the assets and liabilities (whether Inheritance Tax is payable),
- finalising the income tax liability of the deceased person during their lifetime; and
- making the application for the Grant of Probate.

If the estate is taxable then Inheritance Tax will have to be paid before the Grant of Probate can be issued. The Grant of Probate once obtained is the Personal Representative's authority to deal with the estate and allows them, amongst other things, to instruct us to close the deceased's bank accounts, close or transfer investments and sell any property. Once this has been done, an Income Tax return may be required for the administration period and draft estate accounts will be prepared for approval by the Personal Representatives. Once the accounts are approved, the estate can be distributed in accordance with the terms of the Will or the Intestacy Rules if there is no valid Will.

As the Personal Representatives are personally liable for the deceased person's debts (limited to the value of the estate), it may be necessary to give notices requiring creditors to submit claims within a set time limit before the estate is distributed. This is particularly relevant if the Personal Representatives are not the beneficiaries.

Various other types of claim may be brought by individuals in respect of Wills or estates particularly if they feel they should have benefited. If such claims are made against the Personal Representatives, they must be made within 6 months of the Grant of Probate being issued. Claims can be made later against the beneficiaries of the estate. Therefore, if you think there is any likelihood that a claim may be made against the estate, please let us know as soon as possible.

What are the likely costs?

Our experience and expertise means we can give a good estimate of not only how long it may take to deal with the administration of an estate, but also the cost involved in doing so.

The three levels of service detailed above will be charged as follows:

1. **General assistance on a time-spent basis.** As this can be open ended it is difficult to give a precise figure. An initial meeting (up to an hour) may be all that is needed, in which case our fee is £450 plus VAT for the meeting and follow up report setting out our advice. Any additional work requested would be charged out on an hourly basis at a rate of £275 plus VAT per hour.
2. **Assistance with the technical parts of the administration.** This includes an initial meeting and subsequent drafting of the appropriate Inheritance Tax Return and preparation of the papers leading to the Grant of Probate.

- For estates where no Inheritance Tax is payable and form IHT205 is required, our standard fee is £1750 plus VAT.
- For estates where Inheritance Tax is payable and form IHT400 is required, our standard fee is £2750 plus VAT

In either case, these standard fees assume all matters are straightforward.

3. **Dealing with the administration on your behalf.** This involves dealing with all day to day matters as well as all technical aspects of the administration process. We charge on a time spent basis for all work done on the file, so it is difficult to give an exact estimate. As a guide, our costs often work out as 2-3% of the gross value of the estate subject to a minimum charge of £3,250 plus VAT.

****Please note that we do not offer a form checking service****

Expenses

In the course of the administration, there are expenses which need to be paid in addition to our costs estimates above. These include the Probate Registry fees of £155 plus £0.50 per copy of the Grant of Probate required.

How can GL Law help you?

We have specialist lawyers who will take time to get to know you in order to provide you with advice tailored to your specific needs and wishes.

Full and transparent information about our fees structure will be provided at the outset, and the basis of our charging agreed before we begin work.

For more information or to speak to a solicitor please contact us by calling 0117 906 9400 or email hello@gl.law

The content of this guide is intended for general information purposes only and shall not be deemed to be or constitute legal advice.

6 Queen Square Bristol BS1 4JE
0117 906 9400
hello@gl.law