

PEARSON MAY

CHARTERED ACCOUNTANTS & CHARTERED TAX ADVISERS
Originated 1841

www.pearsonmay.co.uk

Probate and Estate Administration Services

Pricing and Fees.

We charge our fees on a time spent basis as we consider this the fairest approach to each client such that the fees reflect the complexity of the job, the quality of the information supplied and the amount of work the client wishes to do themselves. This is the same basis as is used for all of our client services.

Our hourly rates range from £48 per hour for an assistant to £86 per hour for a Probate Manager, and £196 per hour for a Partner. These rates are current as at 1 February 2022, and exclude VAT at 20%. In addition to our fees, certain disbursements might apply. The most common disbursements are listed after the case studies, towards the end of this document.

The work we undertake might include:

- Writing to third parties to obtain information about the assets and liabilities
- Preparing Inheritance Tax forms (IHT205 or IHT400) and calculating the IHT payable
- Preparing Tax Returns for the period prior to death
- Obtaining the Grant of Probate

Once the Grant is Issued:

- Administering the Estate (collecting assets, settling liabilities and settling legacies in the Will)
- Preparing Estate Accounts
- Disclosing Estate Income to HMRC
- Distributing the Residual Estate

We encourage an initial meeting with the Executor(s) to allow us to discuss the individual Estate and establish the likely extent of the Estate and the work you wish us to assist with. At that stage it should be possible to provide you with an indication of the likely range of fees to expect.

Timescales and Deadlines.

Inheritance Tax (IHT) is payable by the end of the sixth month after death, and the IHT forms must be filed by the end of the twelfth month after death. A Grant of Probate/Representation can be applied for at any time, subject to having submitted the relevant IHT forms as required, therefore typically between 6-12 months after death.

The speed at which the IHT and application can be dealt with very much depends upon the speed at which the Executors and third parties provide the information required concerning the assets and liabilities.

Case Studies for Pricing and Timescales.

By way of illustration, we are setting out 3 case studies below, giving examples of the fees you might expect and the timescales involved.

Case Study 1

The Estate required an IHT205 and contained accounts with two banks, a half share of a property (held as joint tenants), a listed shareholding and possessions. There were lifetime gifts within the seven years prior to death, but all were within exemptions. The Executor obtained and provided most of the information from third parties regarding assets and liabilities. The gross value was c.£400k and no IHT was payable.

We prepared the IHT forms, liaised with the solicitors to obtain the Will and applied for the Grant. In addition, we liaised with the Executor (also sole beneficiary) and solicitors to appoint the assets of a 'nil rate band discretionary trust' in the Will that was no longer required.

Total fees for this job amounted to £1,900 +VAT.
Probate was granted within 7 months of death.

In addition, we charged a disbursement of £159.50 for the HMCTS application fee and additional copies of the Grant. The solicitors in this case also levied charges for both renouncing their appointment as Executors and preparing the Deed of Appointment for the Trust. The client paid these charges directly.

Case Study 2

The Estate required an IHT400 and contained accounts with one bank, a half share of a property (held as tenants in common) and possessions including a car. There were no lifetime gifts, but ten specific legacies were made in the Will. The Executor dealt with arrangements for the sale of the property and the belongings, providing details thereof. The gross value was c.£400k and no IHT was payable.

We corresponded with the bank, prepared the IHT forms, prepared a Notice of Power Reserved, collected the assets in a designated client account, settled the specific legacies and distributed the residue, then prepared a set of Estate accounts. Although a UK Estate, some of the beneficiaries were overseas.

Total fees for this job amounted to £4,600 +VAT.
Probate was granted within 7 months of death.

In addition, we charged a disbursement of £2.00 for Bankruptcy Searches. The Executor paid the application fee directly to HMCTS for obtaining the Grant of Probate.

Case Study 3

The Estate required an IHT400 and contained accounts with one bank, listed shares held with the Registrars and further listed shares held in ISAs with three providers, a controlling holding of shares in an unlisted company, a share of a joint property (held as tenants in common) and possessions including a classic car. There were over 40 lifetime gifts within the 7 years prior to death (including of shares in a limited company), but no specific legacies were made in the Will. The gross value was c.£1.5m and IHT was payable, some of which being by instalments.

We corresponded with all third parties to ascertain the value of assets and liabilities, prepared the IHT forms, reviewed bank records to establish the value of lifetime gifts and prepared the application for a Grant. Once obtained, we administered the Estate including liaising with all third parties to transfer or sell the assets and investments, operated a designated client account, prepared a set of Estate accounts, and submitted a corrective account for IHT and obtaining clearance. We also prepared the Tax Returns for the two periods prior to death and dealt with HMRC regarding the IHT payable on gifts that exceeded the Nil Rate Bands.

Total fees for this job amounted to £17,500 +VAT.
Probate was granted within 9 months of death.

In addition, we charged the following disbursements on this Estate: for the HMCTS application fee and additional copies of the Grant, £3 for HM Land Registry Title searches and £2 for ID checks. We also incurred a fee of £300 with the solicitors who drafted the Will to renounce their appointment which was paid and recharged as a disbursement, as agreed with the acting Executor/family.

Disbursements for Third Party Costs Might Include:

HMCTS Probate Application fee of £273

Additional copies of the Grant at £1.50 each

Placing a Deceased Estates Notice in the Gazette £103.60 and local newspaper £215

Electronic ID Checks £2 per person

HM Land Registry Bankruptcy Searches (for Beneficiaries, to protect Executors) £2.00 per individual

HM Land Registry Title Searches £3 per title (electronic)

(All prices are current as at 26 January 2022)

Not all of the above apply for every Estate. We can advise which are relevant and recommended at the initial meeting or in the course of our work.

Pearson May is regulated by the ICAEW for the provision of Probate services. Further details, including about how to make a complaint if you are dissatisfied with our work, can be found in our engagement letter and Terms of Business.

Partners: David Richards BA(Hons) ACA CTA. Jacqui Bowden BSc(Hons) ACA.

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Consultants: Geoffrey Banwell BSc(Agric) FCA CTA TEP. Michael Taylor FCA CTA TEP.

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CHARTERED
TAX ADVISERS

OFFICES IN BATH, TROWBRIDGE AND CHIPPENHAM



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