

# Maxwell Hodge Probate Fee Information & Timescales

**SOLICITORS** 1<sup>st</sup> April 2024

## Key points

The following sections provide cost information and the key steps involved in Probate. Our experienced Lifetime Planning Team can handle the full administration process for you, to assist in a difficult and emotional time.

Probate is the legal right to deal with someone's "estate" when they die. Their estate is made up of property, money, and possessions.

## Scope of work

The precise stages involved will vary according to individual circumstances, however, the basic key stage will firstly involve taking your instructions and providing our initial advice. Beyond this, the specific work involved is:

1. Meeting with you to discuss the administration of the estate.
2. Valuing the assets and liabilities of the estate.
3. Completing any necessary IHT forms and claiming relevant IHT exemptions.
4. Preparing the application for the Grant of Representation and submitting this to the Probate Registry.
5. Obtaining the Grant.
6. Collecting in the assets of the estate and paying any outstanding debts to the estate or liabilities.
7. Identifying the beneficiaries and carrying out due diligence checks.
8. Preparing the Estate Account.
9. Dealing with any income tax/capital gains tax.
10. Distributing the estate.

## Fees and Disbursements

Most of the fees and disbursements attract VAT, which is currently 20%.

Our charges are based on an hourly rate of £260 per hour plus VAT of £52, which is subject to annual review. New rates apply from April each year.

In addition, there will be a charge based on the value of the estate, reflecting the importance of the matter and the responsibility of the company in acting. This is in accordance with Law Society recommendations and is calculated as follows:

- 0.5% of the value of any land/property in the estate and 1% of the gross value of the other assets. (This would be 0.75% for land and 1.5% for other assets if Maxwell Hodge were appointed as professional Executors).

We anticipate that the average time expended in a standard matter is likely to be in the region of between approximately 20-25 hours work at £260ph plus VAT of £52.

## Disbursements

Disbursements are the costs relating to your matter that are payable to third parties, such as the Court. All these payments are handled by us, as we pay the disbursements on your behalf to ensure a smoother transaction. Typical disbursements include:

- Probate application fee of £300.
- Sealed copies of the Grant are an additional £1.50 per copy (usually request 6).
- Land Charges Search on the deceased, each Executor, and each beneficiary (£6 per search plus VAT of £1.20).
- Statutory Notices in The London Gazette and local Newspaper £220\*\*.

\*\*There may be additional disbursements payable which are optional such as Notices in the London Gazette and local newspaper to protect against unexpected claims from creditors. We will provide you with advice on this and if you wish to proceed, these disbursements will be payable from the estate.

## Common Fees

The fees that are relevant to all Probate matters are as follows:

- Electronic identity checks - £15 plus VAT of £3 per person.
- Electronic money transfer fee (CHAPS payment) - £35 plus VAT of £7.

## Costs Example

- Time spent – 20 hours at £260ph plus VAT of £52.
- Property value - £180,000. Responsibility fee is charged at 0.5%.
- Gross liquid assets - £140,000. Responsibility fee is charged at 1%.
- Disbursements:
  - Probate application £300.
  - Sealed copies of Grant (6 additional copies) £9.
  - Land Charges – deceased + two executors and four beneficiaries £42.
  - Statutory Notices £220.
- ID check against executors and beneficiaries £90 plus VAT of £18.

<b>Fee</b>	<b>Amount</b>	<b>VAT</b>
<i>Legal costs</i>	£5,200	£1,040
<i>Realty responsibility fee</i>	£900	£180
<i>Personal responsibility fee</i>	£1,400	£280
<i>Electronic ID check</i>	£90	£18
<i>Land Charges search</i>	£42	£8.40
<i>Probate application fee</i>	£300	-
<i>Sealed Grant</i>	£9	-
<i>Statutory Notices</i>	£220	-
<b>Total</b>	<b>£8,161.00</b>	<b>£1,526.40</b>
	<b>Total inclusive of costs and VAT is <u>£9,687.40</u></b>	

**Please note** that the above estimate is provided for an average estate where the property is valued in the region of £180,000 and the gross liquid assets valued at no more than £140,000. It is also on the basis that:

- There is a valid will.
- There are only two Executors.
- There is only one property (valued at £180,000).

- There are no more than four bank or building society accounts (with different banks) (valued at £120,000).
- There is a life policy and a small number of shares (valued at £6,000).
- There are no other intangible assets.
- There are four beneficiaries.
- There are no disputes between beneficiaries on division of assets. If disputes arise, this will lead to an increase in costs.
- There is no inheritance tax payable, and the executors do not need to submit a full account to HMRC.
- There are no claims made against the estate.

## **Additional Fees**

Additional fees will be incurred when:

- There is no Will or there are missing beneficiaries.
- There are a large number of assets or several share portfolios.
- There are a lot of beneficiaries named or numerous gifts in a Will.
- We are required to claim additional inheritance tax exemptions or those transferrable from a deceased Spouse or Civil Partner.
- The estate is going to be liable for inheritance tax, as this will increase the costs significantly.
- There are overseas assets.
- There is a disagreement between Executors and/or beneficiaries.
- There are variations to the distribution of the estate.
- Dealing with the sale or transfer of a property is not included.
- A claim is brought against the estate.

**NOTE:** All fees quoted above are at the minimum level. We will not be able to provide you with a comprehensive estimate until we have obtained all the relevant information from you.

## **How long will it take?**

On average, estates falling within the above range are usually dealt with within 9-12 months. Typically, obtaining the Grant of Probate takes between approximately 3-4 months. Collecting the assets, identifying all the beneficiaries and discharging all liabilities of the estate can take between 2-3 months. Once this has been done, we will prepare an estate account providing you with a breakdown of the transactions of all funds coming in and out of the estate and outlining how the estate is to be distributed. Once this has been approved, we will then move on to distributing the estate. This final step usually takes approximately 1 month.

There is also a Statutory waiting period of 6 months from the date of the Grant which we would advise you to consider. This deals with potential claims to the estate and if you wish to adhere to the statutory waiting period, this usually takes the administration period to between 9-12 months from the date of death.

It is important to note that this is not a fixed quote, the exact cost of the work will depend entirely on the individual circumstances of the matter. Therefore, the costs payable may well be more or less than our example.

## **Contact Us**

For a more accurate estimate of costs, please contact one of our specialist Team members. Contact details can be found [here](#).