

Administration of estates

Defined in the transparency rules as:

The collection and distribution of assets belonging to a person following their death, where these are within the UK and the matters are not contested.

<p>Whether any fees or disbursements attract VAT and if so the amount of VAT they attract.</p>	<p>Our own charges attract VAT at 20%, payable in addition to the charges quoted.</p> <p>Any disbursement that attracts VAT is identified below, and includes VAT at 20%.</p>
<p>The total cost of the service or, where not practicable, the average cost or range of costs. The basis for our charges, including any hourly rates or fixed fees.</p>	<p>Our charges are generally based on the value of the gross estate (as defined). There is a minimum charge of £3,000, and subject to this we typically charge 1.9% of the first £500,000 of the estate and 1% of the rest. The percentages are higher if the will appoints us as executors, because this carries greater risks and responsibilities than acting as solicitors for executors other than ourselves.</p> <p>We aim to agree our charges with you before we start work. While a charge based on the value of the estate is usually a fair reflection of the amount of work involved in administering it, some estates are so complex in relation to their value that a higher charge is reasonable. On the other hand, some higher-value estates are comparatively straightforward, and where our charge on the usual basis would exceed £20,000 there can sometimes be scope for a lower percentage to be applied to part of the estate.</p>
<p>A description of, and the cost of, any likely disbursements, and where the actual cost of a disbursement is not known, the average cost or range of costs.</p>	<p>A fee is always payable to the Probate Registry when probate is applied for. Currently this is £155 plus a nominal charge for extra official copies of the probate, but in the near future these fees are likely to increase and be based on the value of the estate.</p> <p>We may also incur fees to valuers or brokers for valuing or selling assets. Typically these do not exceed £1,000 (including VAT), but they can be substantially more if, for example, an estate includes large and varied shareholdings, or business property.</p> <p>Advertising for creditors is done through a specialist agency whose charges do not normally exceed £500 (including VAT).</p>
<p>Details of what services are included in the price displayed, including the key stages of the matter and likely timescales for each stage, and details of any services that might reasonably be expected to be included in the price</p>	<p>If a family member has died, you may not need help from solicitors to collect and distribute assets. If an asset was owned jointly with someone else it may now belong to the other person automatically, or relatives may be able to claim a small bank balance without needing any official authority. In most cases, though, we can discuss with you without obligation whether you are likely to need legal help.</p> <p>If the person who died left a will, our service will include checking and explaining its legal effect. If there is no will, the law specifies who will be entitled to the assets, and we will explain that to you.</p> <p>A will normally appoints one or more executors, whose job is to collect and distribute the assets. They will need legal authority to do this from the Probate Registry, and this authority is called</p>

displayed but are not

probate. If there is no will, or the will appoints no executors, the law specifies who can deal with the assets. In this case they are called administrators instead of executors, and the equivalent of probate is called letters of administration, but in this summary we will ignore this technicality and refer to executors and probate.

Before we can apply for probate we need full details of the assets and of any debts and liabilities, including mortgages. If this information is not already available we will write to banks and other asset holders and to anyone the person who has died may have owed money to. If the estate includes company shares or house property we will arrange for valuations. These details are needed so that we can work out the value of the estate - the totality of the assets - and complete the inheritance tax account forms to show whether any inheritance tax is due, and how much.

The total value of the assets, ignoring debts and liabilities, is called the "gross estate", and the amount of our charges is normally based on this. Any inheritance tax is payable on the value of the "net estate", which is the gross estate less the debts and liabilities.

Assets left to a wife, husband or civil partner, or to charity, are exempt from inheritance tax. Normally there is no inheritance tax on the next £325,000, and in some cases this "nil-rate band" is a higher amount. Only the rest of the estate is taxed, at 40%. Any tax - or an instalment of it - normally has to be paid before probate can be issued. If the estate includes a bank balance we can arrange for tax to be paid out of that, directly by the bank to HMRC.

Once probate is obtained, we can use it as authority to collect the assets, so that we can pay any creditors and distribute the estate among the beneficiaries named in the will or specified by law if there is no will. Assets of some kinds may be passed on to beneficiaries as they stand, but more often we may have to arrange for them to be sold, so that the proceeds can be distributed fairly between the beneficiaries entitled.

Sometimes we may have to make enquiries to trace beneficiaries, and in many cases we advertise for creditors. Executors are personally responsible for paying creditors, and advertising can protect them (up to a point) from liability for debts that they were not aware of.

Before finally distributing the estate we draw up estate accounts, so that everyone concerned can see what the estate consisted of and how it was shared out.

In rare cases it can be quicker, but we usually reach the stage of applying for probate within three to six months after we start work. It can take a few weeks or even months for the Probate Registry to issue the probate: this depends on how busy or understaffed they are at the time. The period between the issue of probate and the final distribution of the estate can also be three to six months, but with a large or complex estate it can be a year or more. If there is a house to sell, for instance, there can be no final distribution till it has been sold, though an interim distribution of other assets may be possible.

	<p>Our charges for acting for the executors in collecting and distributing the assets do not include the conveyancing charges if we act in the sale of a property or its transfer to a beneficiary, or our charges for dealing with any dispute concerning the estate or the will, or any deed of variation to alter the distribution of the estate.</p>
<p>The experience and qualifications of anyone carrying out the work, and of their supervisors</p>	<p>Details of the lawyers who do this kind of work can be found in <i>Our people</i>. Private Client work, including administration of estates, is supervised by Christopher Cook, who is a partner.</p>
<p>If we use conditional fee or damages based agreements, we are required to tell you the circumstances in which clients may have to make any payments themselves for our services (including from any damages). These agreements do not apply to administration of estates.</p>	