



PROBATE & ESTATE ADMINISTRATION SERVICES

When a person dies, somebody has to administer their estate and if necessary apply for a Grant of Probate.

A person's estate is generally made up of the assets (property investments and possessions) they had at the time of their death. The process of administering an estate involves collecting in the assets of the estate, settling any debts due (including outstanding taxes), paying any legacies and distributing the estate amongst the respective beneficiaries. This can be a challenging task during a difficult and emotional time for family and friends.

If you find yourself dealing with the affairs of someone who has died and need guidance and reassurance on what to do about the probate process we are able to help.

Wellers offers a fully comprehensive service to handle every aspect of estate administration. If you decide to undertake the work yourself we also offer a checking service to help ensure that everything is in order. This can be particularly useful if you have little or no knowledge of how the process needs to be carried out.

We also have an experienced property services team who will be able to manage the sale or transfer of property and/or land within the deceased's estate.

EXECUTORS' RESPONSIBILITIES AND RISKS

As an executor you should be aware that your role comes with a number of responsibilities for which you may be personally legally liable. The following list highlights just some of the aspects of an estate which will hold potential risks.

- Ensuring that you are working from the latest valid Will
- Conducting a search to identify all the financial assets that have to be taken into account
- Conducting a section 27 search to ensure that all outstanding debts are identified and taken into account
- Ensuring all taxes have been correctly calculated and paid
- Realising fair value for the deceased's assets, from property through to personal possessions such as jewellery, art or furniture

At Wellers we will undertake the above work and more on your behalf and also take out insurance on your behalf to compensate beneficiaries if the need arises. **If you are uncertain if these points have been addressed please contact us to conduct a review.**

DISBURSEMENTS

Please note that by instructing us to act on your behalf in relation to the administration of an estate, you provide us with authority to incur all essential disbursements necessary on behalf of the estate without further reference to you. These will be charged to and deducted from the estate funds during the administration.

Any property disbursement or special disbursements which are considered necessary for the administration of the estate will be discussed with you prior to incurring the liability. All disbursements authorised will be charged to and deducted from the estate funds during the administration process.



ESSENTIAL DISBURSEMENTS

Disbursements are the costs of necessary services (sometimes relating to third party specialists) in order to ensure that the administration of an estate can proceed efficiently.

The disbursements are charged in addition to the fee quoted for the administration of the estate.

Some disbursements are necessary in each and every administration (these are listed below).

Other disbursements are required only if the estate has a property to sell or transfer.

(Please note that the estimated cost of the disbursement is also subject to change).

Disbursement	Explanation	Estimated Cost (£)
Bankruptcy Search	Needed to ensure that the Personal Representatives and beneficiaries are not bankrupt	£2 per search made
Oath Fee	The fee needed to swear the oath needed to apply to Court for the Grant of Representation	£5 - £20
Probate Court Fee	The Court fee payable when applying for the Grant of Representation	£155 plus 50p per office copy (One per asset)
Statutory Adverts (s27 notices)	To advertise the estate in publications in order to reduce the risk of future claims being made by creditors	From £250 depending on region of the country
Unclaimed Assets Register Search	Basic Search to see if there are any unclaimed assets registered in the name of the deceased	£25

PROPERTY DISBURSEMENTS

Disbursements are the costs of necessary services (sometimes relating to third party specialists) in order to ensure that the administration of an estate can proceed efficiently.

The disbursements are charged in addition to the fee quoted for the administration of the estate.

Some disbursements are necessary in each and every administration (these are listed on the Essential Disbursements sheet). Other disbursements are required only if the estate has a property to sell or transfer and are listed below.

(Please note that the estimated cost of the disbursement is also subject to change).

Disbursement	Explanation	Estimated Cost (£)
Estate Agents Fee	The estate agency fee for the management of the marketing and sale of the property	Typically between 1% and 2% of the value of the property
Energy Performance Certificate (EPC)	Compulsory certificate detailing the energy efficiency rating of the property for sale	£90
Conveyancing Fees	The legal fees charged by solicitors for the work undertaken in relation to management of the sale of the property	Individual quotation provided when sale agreed.
HM Land Registry Fees	Fees payable to HM Land Registry for various documents and to update the title register	Will vary according to the property status. Quotation usually provided by solicitor when instructed
Property Professional Valuation	To instruct a RICS approved property valuation report (advisable if the estate is liable to Inheritance Tax)	£300 - £800 Depending on the size of the property

SPECIAL DISBURSEMENTS

Disbursements are the costs of necessary services (sometimes relating to third party specialists) in order to ensure that the administration of an estate can proceed efficiently.

The disbursements are charged in addition to the fee quoted for the administration of the estate.

Some disbursements are necessary in each and every administration (these are listed on the Essential Disbursements sheet). Other disbursements are required only if the estate has a property to sell or transfer and are listed on our Property Disbursements sheet. Listed in the table below are additional disbursements which may become necessary to cover the cost of such things as realising the value of investments and other professional service fees.

(Please note that the estimated cost of the disbursement is also subject to change).

Disbursement	Explanation	Estimated Cost (£)
Property Professional Valuation	To instruct a RICS approved property valuation report (advisable if the estate is liable to Inheritance Tax)	Please see property disbursements fact sheet
Financial Asset Search	An enhanced search to see if the estate has any financial assets which are not yet identified (advisable if the estate is liable to Inheritance Tax)	£200
Stockbroker Fees	Fees payable for services provided relating to shares held by the estate including valuation, transfer and sale	Will vary according to number of shares and action required. Quotation provided once instructions received
Share registrar Fees	Fees payable to share registrars for a number of issues e.g. lost share certificate indemnity, re-issue of dividend cheque	Will vary according to what is required
Copies of Official Certificates	Application fee payable to obtain copies of birth, death, marriage, adoption, civil partnership or divorce certificates if originals are required and cannot be provided by the parties to the estate	Will vary according to what is required and the local authority involved
Searches for Missing Beneficiaries	Fee payable to tracing agents where enquiries into the whereabouts of a beneficiary cannot be confirmed with information provided by the parties to the estate	Tailor-made quotation provided depending on the complexity of the search and amount of information provided to the tracing agents

Disbursement	Explanation	Estimated Cost (£)
Accountancy Fees	Fee payable to accountants to deal with the Income Tax returns of the deceased up to the date of death and (if necessary) during the period of administration	Individual quotation obtained based on actual service required
Contentious Claims	Fee payable for handling contentious matters during the administration of the estate	Charged on an hourly rate by the solicitor specialising in contentious probate litigation
Handling Exceptional Estates	Additional fee charged for handling affairs relating to foreign assets (not in England & Wales), heritage assets, business assets or agricultural assets	Individual quotation provided based on actual service required
Advising Upon, Drafting and Executing a Deed of Variation	The fee for preparing all relevant documentation if any of the beneficiaries wish to vary their entitlement from the estate	£750 - £2,000 depending on type and tax saved, and the level of work involved

TIME FRAMES

It is difficult to confirm with any degree of certainty how long it will take to complete the administration of an estate. We are all individuals and each of our estates will differ in terms of size and complexity, as well as the value of the assets and liabilities and the number and character of the people involved.

Dealing with the affairs of someone who has died can take a long time. It is not unusual for it to take up to a year, perhaps longer if things are not straightforward. Many organisations may be involved in the process, such as banks, building societies, insurance companies and HM Revenue & Customs.

The estate cannot be dealt with until all claims to it have been received. Individuals have six months from the date when probate was granted to make claims against the estate.

Other things that may affect the time taken are:

- the clarity and organisation of the financial affairs of the deceased;
- the types of assets that require our attention;
- whether the deceased had an interest in a business or a farm;
- what the Will or the rules of intestacy say;
- whether there are any legal disputes (claims against or by the estate);
- whether Inheritance Tax needs to be paid; and
- making sure that all HM Revenue & Customs files are closed and that matters relating to Income Tax, benefits agencies and pensions have been sorted out.

Arguments between family members, beneficiaries or Personal Representatives can also delay matters. Any disagreements must be sorted out before the affairs of the person who died can be finalised.

Notwithstanding the above, at Wellers we always try to complete the administration of the estate within 9-12 months of being instructed. We will keep you informed of progress during the administration of the estate and make you aware of any difficulties which might delay matters.

The following section provides an outline of the typical time frames for administering an estate assuming that there are no "complicating factors".

Months 1 - 2 The Initial Steps

Following receipt of your instructions, your advisor will carry out a detailed review of the paperwork provided to ascertain the legal and practical issues which need to be addressed before being able to apply for a Grant of Representation.

We will then send initial letters to all relevant parties e.g. Personal Representatives and beneficiaries and will make enquiries to ascertain the extent of the deceased's assets and liabilities.

Months 3 - 6 Grant of Representation and Inheritance Tax

Once all replies to initial enquiries have been received and an accurate record of the value of the estate has been confirmed, we will:

- Complete all paperwork necessary for the application to the Court including confirming the validity of the Will or accurately applying the Rules of Intestacy when there is no valid Will;
- Complete the necessary Inheritance Tax forms and finalise the Inheritance Tax position with HM Revenue & Customs (whether there is Inheritance Tax to pay or not);

Typically, it takes approximately 6 months to complete all the necessary legal, tax and administration work and receive the Grant of Representation from the Court.

Months 7 - 9 Interim Distributions

The Grant of Representation will enable us to deal with the assets of the deceased in accordance with the Personal Representatives' wishes. We will collect in or transfer all assets and settle any known liabilities.

Claims can be received against the estate for up to 6 months after the date of Grant of Representation (and those claims do not need to be notified until a further 4 months has elapsed). If it is possible that a claim could be received we advise that no distribution from the estate is made during this period.

However, if the Personal Representative is satisfied that no claim is expected and has authorised us to proceed, and if we have received clearance from HM Revenue & Customs that the submitted Inheritance Tax forms are approved and that all tax due has been paid, we will usually make an interim distribution of the funds due to the beneficiaries. This will usually represent the majority of the funds which are at that time available. We will retain contingency funds to meet any known or unexpected liabilities which might occur during the remainder of the estate administration.

Typically, it takes approximately 9 months to be in a position to make an interim distribution from the estate. It is important to note that interim distributions are not always possible.

Months 10 – 12 Finalising the Administration of the Estate

After the interim distributions have been made, we will continue to work on the administration to ensure that all matters have been completed. If there is a property which has not already been sold, then the final distributions will not be made until the sale has completed and all associated liabilities (e.g. mortgage, estate agent fees and household bills have been settled).

We will ensure that all relevant taxes due are reported and paid to HM Revenue & Customs.

Once all has been appropriately completed we will prepare estate accounts to be approved by the Personal Representatives and ultimately by each residuary beneficiary. If there are no further enquiries in relation to the estate, we will arrange for the final distributions to be made.

Typically, it takes approximately 12 months to be in a position to make final distributions from the estate. Please note however, that the above is intended only as a guide and progression of the administration may take more or less time depending on the individual circumstances involved.

At Wellers, we will keep the Personal Representatives updated on a regular basis, in particular, at each key stage of the administration of the estate.

If you have any queries in relation to the contents of this guide or any other part of the administration process, please contact us for further clarification.



GLOSSARY OF WORDS USED IN ESTATE ADMINISTRATION

The following list is a non-comprehensive list of words that you may come across when dealing with the estate of a deceased person.

TERM USED	MEANING
Administrator(s)	The person(s) required by law to deal with the deceased's estate when there is no valid Will for the deceased.
Administration period	The period between the date of death and the date of the final estate accounts.
Administration of the estate	The collecting in, managing, dealing with and distribution of the deceased's assets and paying all liabilities on their behalf. It is the general wrapping up of all their affairs.
Appropriation	The transfer of an asset instead of its sale proceeds on account of a legacy or share of residue.
Assets	Things that belong to the deceased prior to their death, such as a property, investments, shares, bank accounts, chattels etc. Although not all assets have a monetary value.
Beneficiary	A person entitled to receive something from the deceased person's estate.
Codicil	A legal document by which a person amends their will.
Contingent gift	A gift conditional on the happening of a particular event, e.g. a beneficiary reaching 21 years.
Estate	When someone dies their affairs fall into their 'estate' until such time that matters have been dealt with and a distribution of assets can be made.
Estate Accounts	A calculation of the spending incurred during the administration of the estate process. Usually approved by the Personal Representative.
Executor(s)	The person(s) nominated in the deceased's Will to deal with the estate administration.
Grant of Probate	A certificate the Court provides, granting someone the authority to manage somebody else's assets and liabilities when they have passed away. It is called this if there is a valid Will.
Grant of Representation	A certificate the Court provides, granting someone the authority to manage somebody else's assets and liabilities when they have passed away. e.g. Grant of Probate Letters of Administration Letters of Administration Will Annexed
Inheritance Tax	A tax payable upon the calculation of the net value of the deceased's estate as at death. It will be calculated based on current legislation and relief available.

TERM USED	MEANING
Intestate	When someone dies leaving no valid Will, legislation then dictates the manner of distribution of the deceased's assets.
Legacy/Bequest/Devise	A gift of chattels/money/other assets by will.
Letters of administration	A certificate the Court provides, granting someone the authority to manage somebody else's assets and liabilities when they have passed away. It is called this if there is no valid Will – see Intestate.
Liabilities	Costs and/or debts that the deceased was responsible for paying prior to their death. The Personal Representative will clear these during the Administration of the Estate.
Pecuniary legacy	A lump sum cash gift usually directed in a Will.
Personal chattels	Personal effects; more precisely defined in the Administration of Estates Act 1925, Section 55 as including carriages, horses, stable furniture and effects (not used for business purposes), garden effects, domestic animals, silver plate, plated articles, linen, china, glass, books, pictures, prints, furniture, jewellery, articles of household or personal use or ornament, musical and scientific instruments and apparatus, wines, liquors and consumable stores but excluding any chattels used at the death for business purposes, or any money and securities for money.
Personal Representative	The person obligated or appointed to manage and deal with the deceased's estate is known as a Personal Representative for that estate.
Power reserved	Where a named executor declines to act as such, but reserves the right to do so at a later date.
Renouncing Probate	Where a named executor signs a legal document which cancels his appointment from the start.
Residuary beneficiary	The person that is entitled to the remainder (left over) of the deceased's estate once all other gifts have been paid to the other beneficiaries.
Residuary estate	What remains of the estate after payment of all debts, legacies and all taxes and expenses.
Residuary legacy	The amount or portion of the estate which is left over after all liabilities have been paid and other gift distributions have been made. The Residuary Beneficiary will receive this.
Section 27 Trustee Act 1925 Notice	This notice is usually advertised in the London Gazette and the local paper where the deceased was usually resident. Its purpose is to ensure that all persons who have a claim against the estate are given the opportunity to make a claim before distributions are made. It is also necessary to advertise the notices to protect the Personal Representatives from personal liability.

TERM USED	MEANING
Specific legacy	A gift of what is usually an item/chattel belonging to the deceased that is given to a nominated beneficiary.
Testate	Reference to when someone has died leaving a valid Will.
Testator	Another term used for the deceased.
Trust	When one person is charged with assets and is obliged to look after them, manage them and deal with them on behalf of another. An estate can be referred to as a type of Trust. The Trust can also be derived from the terms of the Will or an intestacy.
Trustees	The person or persons responsible for looking after Trust assets.



Wellers Law Group LLP

TALK TO US TODAY

We can help you understand your options in just a few minutes.



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