

How We Calculate Cost Estimate

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How We Calculate Costs Estimate: A Guide

It can be very difficult to know from the outset of a Probate matter the exact costs involved in administering the Estate. This is because every Estate is unique, and our costs are based on a time-spent basis. The more complicated the Estate, the more our costs will inevitably be.

However, if the Estate is complicated then it is important you do take professional advice to ensure that mistakes don't cost you time and money in the long run.

Estimated Costs

To give you an idea of fees, we estimate that to administer a simple Estate from start to finish the average fees are in the region of £4,000.00 to £6,000.00 plus VAT. However, this costs estimate could increase if the Estate is more complicated. At the outset of your matter, we will use our Probate Fee calculator to provide you with an accurate, bespoke quote based on the specifics of your matter.

To help you understand how we calculate our costs estimates, below is a breakdown of the likely estimated involvement for each element of the Estate:-

Working with units

You will be told the hourly rate of the fee earner handling your matter at the start of the matter. The hourly rate is broken down into 10 x 6 minutes intervals known as "units".

Dealing with Estate Liabilities

We estimate that dealing with each liability takes between 7 to 10 units in total, depending on a particular creditor's requirements and whether we need to chase them. This includes, but is not limited to:-

1. Our initial letters out notifying them of the death and requesting balances owed at date of death;
2. Their letter in which confirms balances owed at date of death and/or any requirements;
3. Our letter out to them enclosing the Grant of Probate and requesting their final balances owed and bank details to make settlement payments;
4. Their letter in confirming the final balance owed and their bank details;



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5. Us calling them to confirm their account details in line with our AMLR requirements;
6. Organising the payment to be made and our letter out as confirmation; and
7. Their letter in with confirmation the account is settled.

Dealing with Estate Assets such as Banks, Building Societies & Bonds

We estimate that dealing with *each* asset such as Banks, Building Societies & Bonds takes between 8 to 10 units in total, depending on a particular debtor's requirements and whether we need to chase them. This includes, but is not limited to:-

1. Our initial letter out to them notifying them of the death and requesting required information for probate application;
2. Their letter in with confirmation of death notification and requested information;
3. Our letter out enclosing the Grant of Probate and requesting closure forms;
4. Their letter in enclosing closure forms and details of any other requirements;
5. Our time preparing closure forms;
6. Our letter sending closure forms to you to approve and sign;
7. Our letter sending closure forms to the bank/building society/bonds; and
8. Their closure letter in and funds received from bank/building society/bonds.

Dealing with Estate Assets such as Shareholdings and Portfolios

We estimate that dealing with *each* asset such as Shareholdings and Investment Portfolios takes between 8 to 12 units in total, depending on a particular debtor's requirements and whether we need to chase them. This includes, but is not limited to:-

1. Our initial letter out notifying them of the death and requesting required information for probate application;
2. Their letter in with confirmation of death notification and requested information;
3. Our letter out enclosing the Grant of Probate and requesting closure or transfer forms;
4. Their letter in enclosing closure forms and details of any other requirements;
5. Our time preparing closure forms, indemnities and any other requirements;
6. Our letter sending closure forms to Client to sign;
7. Our letter sending closure forms to share registrars or portfolio managers; and
8. Their closure letter in and funds received from share registrars or portfolio managers.



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Dealing with Inheritance Tax Paperwork

It takes approximately 5-7 units each to prepare the IHT205, IHT217 and PA1P forms. Should the longer IHT400 (and schedules) be required then this will start at 15 units and increase with each additional schedule required.

Please Note: where the following complex asset, trust and/or tax issues arise, we reserve the right to charge a value element to account for the enhanced expertise required to understand, correctly report to HMRC, advise beneficiaries and defend any calculations and positions to the HMRC:-

1. Taper Relief on Potentially Exempt Transfers;
2. Single Grossing Up calculations;
3. Double Grossing Up calculations;
4. Unlisted stocks or shares;
5. Business Property Relief;
6. Agricultural Property Relief;
7. Settled Property & Lifetime Settlements;
8. The Deceased was a beneficiary of a Trust;
9. National Heritage Trust Assets;
10. Partially or fully secret Trusts; and
11. Trust which are chargeable to Inheritance Tax.
12. Double Taxation or Cross Jurisdictional Issues



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Our value element is calculated in line with Article 3 of the Solicitors' (Non-Contentious Business) Remuneration Order 2009 and the key principles established in *Jemma Trust v Liptrott* [2003] EWCA Civ 1476. For these cases, the following regressive fee scale is as follows:-

Asset Type	Between	Fee %
Value of Residence	£0.01 or above	0.5%
Value of all other assets	£0.00 to £1,500,000.00	1.5%
Value of all other assets	£1,500,000.01 to £5,500,000.00	0.5%
Value of all other assets	£5,500,000.01 to £11,000,000.00	0.1666%
Value of all other assets	£11,000,000.01 to £17,000,000.00	0.0833%
Value of all other assets	£17,000,000.01 or above	0.0416%

So, for example, if our value element applies to an Estate worth £16,000,000.00, the appropriate value element would be:-

$$£1,500,000.00 \times 1.5\% = £22,500.00$$

$$£4,000,000.00 \times 0.5\% = £20,000.00$$

$$£5,500,000.00 \times 0.1666\% = £9,130.00$$

$$£5,000,000.00 \times 0.08333\% = £4,166.50$$

$$\text{Total value element chargeable on } £16,000,000.00 \text{ gross Estate} = £55,796.50$$



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Dealing with Estate Accounts

Generally speaking, Estate Accounts for Estates where just the IHT205/IHT217 were required take between 10-20 units. Estate Accounts for Estates where the IHT400 generally take around 15+ units to complete, depending on the complexity of the matter.

Dealing with Beneficiaries

It takes roughly 4-6 units per beneficiary during an Estate administration, which includes:-

1. Our letter out notifying them of their entitlement at the outset;
2. Their letter in with their ID and payment information form;
3. Performing Bankruptcy Checks;
4. Us calling them to confirm their account details in line with our AMLR requirements;
5. Our letter out to confirm interim/payments have been made; and
6. Their letter in confirming receipt of funds.

Dealing with Ancillary Matters

On average, ancillary tasks take between 13 -31 units, depending on the individual Estate. Ancillary tasks include, but are not limited to:-

1. Notifying passport office/DVLA/DLA of the death;
2. Dealing with DWP;
3. Dealing with PAYE and Self-Assessment up to death;
4. Dealing with Estate Income Tax return where tax is less than £10,000.00;
5. Dealing with missing beneficiaries; and
6. Cataloguing or storing personal items.



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Things that will increase costs:

There are some situations which might arise that could increase the costs considerably, especially if our Litigation department is required to step in to settle disputes. These situations include, but are not limited to:-

1. If Executors do not agree on how to administer the Estate;
2. If someone wishes to make a claim against the Estate;
3. Requiring corrective IHT accounts, for example, when unknown assets or liabilities arise after the Grant of Probate has been obtained;
4. Missing or unknown beneficiaries that require tracing;
5. Where the Will includes Trust provisions; and
6. Where there are Statutory Trusts or minor beneficiaries on Intestacy.

As soon as it is made clear to us that any of the abovementioned situations have arisen we will always advise you at that time of our likely additional fees in resolving those matters.

Please note, this guide is not definitive and serves only to provide you with overview as to how your Probate quote has been calculated. If you are unsure about our costs then please contact your fee earner without delay.