

Estate of Mrs Middling, deceased

Mrs Middling died a widow leaving 3 children and 10 adult grandchildren. We administered Mr Middling's estate when he died 12 years ago. The executors are Mrs Middling's eldest daughter and her son. Mrs Middling has an estate of £400,000. She leaves a series of personal possessions and cash legacies to the grandchildren and her preferred charities. The remainder is to be split in different proportions between the three children. There is a house which will be sold, bonds and life policies, NS&I investments, bank and building society accounts and cash and stocks & shares ISAs. The family will attend to the funeral and clearing the property and once all the assets are collected in they will organise the distributions.

There will be no Inheritance Tax to pay due to available allowances and effective succession planning measures. However, an IHT400 will be required as in order to claim the Residence Nil-Rate Band allowance. The family will do some of the tasks but will need assistance to value the estate, complete the IHT400, obtain Probate and prepare final Estate Accounts with distributions schedules. A limited range for the time charges for this estate are possible to estimate from the outset. This would be between 22 and 26 hours. The estimated time charges would be between £5,500 and 6,500 + VAT. The value charge would be as follows:

Residence £230,000 @ 0.5% = £1,150 plus VAT

Free estate £170,000 @ 1% = £1,700 plus VAT

Total value charge £2,850 – 10% = £2,280 plus VAT

Our current practice is to discount the value element by 20% which would give a value element of £1,824. Total fees for this administration example would be between £7,324 and £8,324 plus VAT or approximately 2% of the value of the estate.