



# **Banbury Wills & Probate**

**Part of Bicester Wills Ltd**



## **Your Guide to the Administration of an Estate**

**This guide answers any questions you may have  
regarding the administration of an estate**

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**This guide answers any questions you may have regarding the administration of an estate.**

**You are the named Executor in a Will, or the next of kin to a deceased. You know that you have to gather in their assets, pay off their liabilities and distribute the remainder, in accordance with either the Will or the Rules of Intestacy.**

**Where do you start?**

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## Contents

|                                                                                           |   |
|-------------------------------------------------------------------------------------------|---|
| • How do I find the Will? .....                                                           | 2 |
| • What if there is no Will? .....                                                         | 2 |
| • How do I administer an estate? .....                                                    | 2 |
| • How is a Grant obtained? .....                                                          | 3 |
| • Is a Grant essential? .....                                                             | 4 |
| • How much does a Grant cost? .....                                                       | 4 |
| • We have the Grant of Representation. How do we get the assets released? .....           | 4 |
| • What do we do with them when we receive them? .....                                     | 5 |
| • Is there anything we must do when we distribute the estate? .....                       | 5 |
| • Do the Personal Representatives have to do everything together? .....                   | 6 |
| • I am named as an Executor on a Will, but I don't want to do it. What can I do? .....    | 6 |
| • How can Banbury Wills & Probate help with this process? .                               | 6 |
| • Banbury Wills & Probate specialise in Administration of Estates. How can we help? ..... | 7 |
| • Options & Costs .....                                                                   | 7 |
| • Summary of the key steps in the Administration of an Estate .....                       | 9 |



## How do I find the Will?

You need to find the Will at the outset, to confirm who the Executors of the estate are. If you do not have a copy, or do not know where it is, it is best to ask family and friends if they know and, otherwise, look in the house first. There may not be a Will there, but you may find contact details for a solicitor, a bank, a deposit box, or a secure storage facility.



When you find the Will, you need to check that it is valid. For instance, has it been signed, witnessed and dated, was the deceased was over 18 when they made it, and did the deceased marry or enter into a civil partnership after the Will was written?

**If you have concerns about whether the Will is valid, contact us. We can help you to establish the validity of the Will.**

Now there is a valid Will, you can check who the Executors are. It is their responsibility to administer the estate of the deceased.

## What if there is no Will?

If a thorough search has been conducted and no Will is found, the deceased is deemed to have died 'intestate'. This means that they left no instructions regarding their estate and family affairs. Their estate must be dealt with in accordance with the Rules of Intestacy.

In this case the next of kin can apply to administer the estate. You are not the next of kin if you are their partner but were not married or in a civil partnership with the deceased. The next of kin must be a relative.

## How do I administer an estate?

The administrator of the estate is the person with the legal right to deal with the property, money and possessions of the deceased. This is either the Executor(s) named in the Will, or the next of kin; they are known as the Personal Representatives (PRs) of the estate.



The PR needs to gather in all the assets of the deceased and pay off their liabilities, including any Inheritance Tax, before distributing the estate in accordance with the Will or the Rules of Intestacy. The PR should also make sure that all valuable assets are insured, as the deceased's insurance will no longer be valid.

A Grant of Representation is the name of the legal paperwork the PR needs to have in order to show the banks and other organisations that they have the right to access the deceased's assets. People often call this obtaining a Grant of Probate. These organisations will not pay out to the PR until they have seen proof that the PR is entitled to collect the assets.

The first step is to value the estate and apply for the Grant. This is rarely as simple as finding out how much is in a bank account or a pension, and searching the house for cash and items of value.

To value the estate PRs often require a professional valuation of all property and assets belonging to the deceased, as well as finding out the value of bank accounts, vehicles, shares, gifts made during the last 7 years and all debts such as mortgage, credit cards, loans, utility bills and so on. Every asset and liability must be found, valued and listed in Estate Accounts to enable the PRs to complete the Inheritance Tax paperwork correctly.

**You can do this yourself, or you can instruct us to do some or all of it for you.**

## How is a Grant obtained?

The PR must complete a Probate Application form. This form requires the applicant to submit:

1. The death certificate;
2. The Will;
3. The completed Inheritance Tax paperwork;
4. The details of the deceased's marital status and family situation;
5. The details of all the Executors named in the Will;
6. The fee.



You can instruct us to complete the Probate Application form and Inheritance Tax paperwork for you.



## Is a Grant essential?

The circumstances in which a Grant may not be needed are:

1. where the deceased's estate passes to the surviving spouse or civil partner because it was held in joint names; or
2. if the deceased's assets do not include land, property or shares.

However, organisations holding the deceased's assets will ask for proof of death, and some may still require a Grant before they will release the assets.

## How much does a Grant cost?

The fee for the Grant, payable to HM Courts and Tribunals Service, is £300.00. There is no fee if the estate is valued at under £5,000.00.

For this fee, the PR will receive one copy of the Grant of Representation. Additional copies are available at £1.50 per copy. It is wise to purchase several copies, as each organisation will want to see one before they release the assets. It is not sufficient to send a photocopy of the Grant when requesting the release of assets.

## We have the Grant of Representation. How do we get the assets released?

You will already have listed all the assets for the purposes of the Estate Accounts and Inheritance Tax return, so you know which organisations you need to contact. It is wise to telephone first to check exactly what documents you need to provide, and then send a letter with the details, request for payment, and the Grant.

Some organisations will pay assets directly into a bank account rather than issuing a cheque. A number of banks offer a dedicated Executors' bank account which you may wish to set up.



## What do we do with them when we receive them?

When all the assets have been received you must first pay off the liabilities of the estate, including funeral expenses. You will be aware of most debts because of bills or other documents in the possession of the deceased and you should ask each creditor for a final bill before making any payment, to ensure you discharge the deceased's liability in full.

You should consider placing an advertisement in the London Gazette, and a local paper, by way of notification of the death and to ask anyone who thinks the deceased owed them money to make contact, with the relevant paperwork, within a two month period. This helps protect you from future claims against the estate.



Sometimes the estate does not have enough money to pay all that was owed. This is called an insolvent estate. In this case, you must take advice before making any payments, as there are specific guidelines about the order in which creditors must be paid and the PRs will be personally liable for any debts which were not paid when they should have been.

## Is there anything we must do when we distribute the estate?

Once all the liabilities have been paid, everything that is left must be distributed in accordance with the Will or, if there was no Will, the Rules of Intestacy.

It is sensible to always obtain a receipt for money or assets distributed. This is good practice in terms of keeping a record that everyone has received what they are due.

Relatives or friends should not be permitted to simply claim items that they say are theirs, or were promised. They must show proof of any such claim.

When everything has been distributed, the PRs can sign off the estate accounts. These must also be approved and signed by the beneficiaries and then kept for at least 12 years.



## Do the Personal Representatives have to do everything together?

No, not at all, as this could make things harder to deal with efficiently. A maximum of four people can apply for the Grant, and they may then agree that one of their number will take on the day to day running of affairs whilst the rest are kept up to date and consulted on decisions, but not required for the regular administration.

Many PRs choose to appoint a professional to manage the administration of the estate.

**We can do this for you, and will keep you informed of progress and answer any questions whilst dealing with the day to day detail on your behalf.**

## I am named as an Executor on a Will, but I don't want to do it. What can I do?

You can renounce probate. This means that you sign a renunciation document and then you do not have to take up the role of Executor. It takes effect from the moment you sign it, and it will be lodged with the application for the Grant. **We can draft this for you.**



It is really important to be aware that you are not permitted to renounce probate if you have had any involvement with the administration of the estate already, however small.

## How can Banbury Wills & Probate help with this process?

If you have read this far, you will appreciate the large amount of work involved in correctly administering someone's estate. Record keeping is essential, care with money and decisions must be taken, and paperwork must be completed and filed accurately.



## Banbury Wills & Probate specialise in Administration of Estates. How can we help?

You might instruct us to take on specific tasks, such as locating the Will, checking the validity of the Will, completing and filing the Probate Application and Inheritance Tax return, or gathering in and accounting for the assets of the estate.

Alternatively, you might decide, along with any other PRs, that you would prefer to instruct us to deal with the administration of the estate as a whole.

We offer different service options, which are listed below.

### Options & Costs

#### Grant Only Service

This is where you have established a list of assets and liabilities.

What's included in the fee:-

- Meeting with you to confirm the value of the Estate and collecting documentation;
- Completing the Return of Estate Administration forms and necessary schedules;
- Completing the Probate Application Form;
- Meeting with you to review the forms and obtain your signatures as PRs;
- Submitting, where necessary, the forms to the HMRC;
- Submitting the Grant of Probate or Letters of Administration application to the Court on your behalf.

#### Costs

- Single Person with Estate under £325,000 - **fee £1,800**
- Single Person with Estate over £325,000 - **fee £3,000**
- First of a Married couple to die with Estate below £1,000,000 - **fee £1,800**
- Second of a Married couple to die with Estate below £325,000 - **fee £1,800**
- Second of a Married couple to die with Estate over £325,000 but under £650,000 - **fee £2,200**
- Second of a Married couple to die with Estate over £650,000 - **fee £3,000**



## Full Administration of the Estate

What's included in the fee:-

- Advising on the terms of the Will;
- Collecting together the relevant information about the number and location of assets and debts;
- Advising you on the notices you can advertise in order to reduce your potential liability as executor/administrator;
- Identifying the correct figures and arranging valuations for inheritance tax purposes;
- Completing and submitting the inheritance tax return to HMRC. Dealing with HMRC in relation to any income tax or capital gains tax liability for years prior to the death and dealing with any tax liabilities that may arise during the administration;
- Dealing with the Department for Work and Pensions to ensure any benefits or pensions are stopped and handle any repayments;
- Liaising with utility companies in order to obtain a final account up to the date of death and where services need to be maintained, guiding the executors on their options;
- Guiding the executors on the need to maintain adequate insurance cover on the deceased's assets during the period of administration;
- Obtaining the grant of probate/letters of administration;
- Arranging for legal notices to be advertised, if requested by the executors/administrators;
- Sending copies of the grant of probate/letters of administration to banks, building societies and other institutions holding money in order to obtain access to the deceased's assets;
- Collecting in assets and liquidating where necessary and discharging the liabilities;
- Making interim distributions where appropriate;
- Preparing estate accounts and distributing the estate.

## Costs

- **2.5% (plus VAT)** of the value of the Estate.



## Summary of the key steps in the Administration of an Estate

- ☐ Registering death
- ☐ Arranging and paying for funeral
- ☐ Locating will and executors
- ☐ Identifying assets and liabilities, advertising in London Gazette for creditors
- ☐ Drawing up Estate Accounts, arranging valuation of the estate
- ☐ Completing IHT forms
- ☐ Completing PA1 application for Grant and all additional paperwork
- ☐ Applying and paying for the Grant of Representation
- ☐ Contacting every organisation holding assets of the deceased, sending Grant and request to release assets
- ☐ Contacting creditors to request final bills etc
- ☐ Updating Estate Accounts on receipt of funds/assets
- ☐ Paying liabilities where proven
- ☐ Distribution of estate as set out Will or in accordance with Rules of Intestacy
- ☐ Obtaining receipts from beneficiaries
- ☐ Obtaining sign off of Estate Accounts by all PRs
- ☐ Retaining all records for 12 years

**Call us now to see how we can help.**





# Banbury Wills & Probate

Part of Bicester Wills Ltd

For more than a decade now Bicester Wills & Probate have been delivering their friendly, affordable, service to thousands of clients in the Bicester area. As well as expanding their services to include LPA's, Inheritance Tax Planning, Funeral Plans, Probate Assistance and Trusts, they have also expanded the catchment area they serve. Bicester Wills and Probate now have offices in Banbury, Buckingham and Oxford.

"My parents had funeral plans, and when my Mum passed away not only did we not have the financial burden of a funeral we had the support of a very caring funeral service who organised everything for us."

"My mother had dementia before she died and her account was frozen. If I hadn't the money I would have had to cope with trying to get her money released and deal with the funeral. We decided to remove that problem for our children and take out a Plan."

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