

The Probate Process

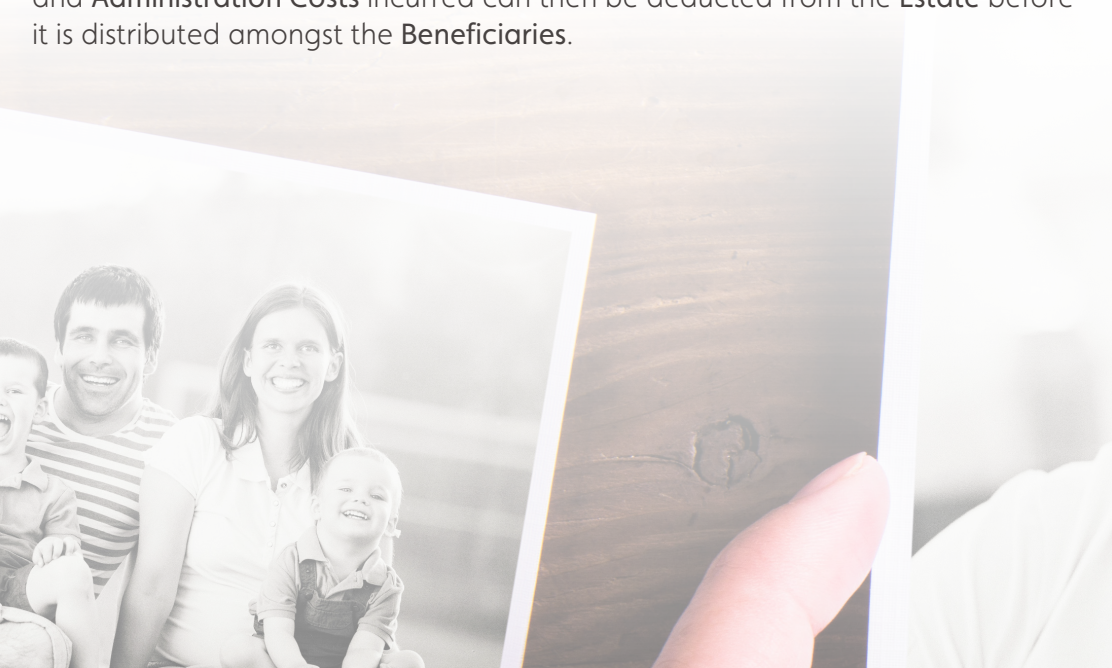
When somebody dies, their **Assets** must be collected in, any **Liabilities** paid and the **Estate** then distributed amongst the **Beneficiaries**. This is called administering the **Estate**.

This is a job for the **Personal Representatives (PRs)**. The **PRs** may be set out in the deceased’s Will (if there is one) or, if there is no Will, depend on who is entitled to inherit under the **Intestacy** rules.

The **PRs** must write to all **Asset** holders to get valuations of the deceased’s **Assets** on the date they died. For bank accounts, this will be a statement. For property, they will need three professional valuations. For specific assets, like collections and shares, there are special valuation rules.

The **PRs** must also ascertain the extent of any **Liabilities** of the deceased. Once the value of the **Estate** is known, the **PRs** must decide which **IHT Forms** and **Probate Forms** need to be completed to obtain the **Grant of Representation**.

Once the **Grant of Representation** has been obtained (but before the **PRs** can pay out anything to the **Beneficiaries**), the **PRs** must pay any **Inheritance Tax (IHT)** but also consider if there is any Capital Gains Tax or Income Tax to pay on the increase in value or income received since the date of death. Any tax due and **Administration Costs** incurred can then be deducted from the **Estate** before it is distributed amongst the **Beneficiaries**.



Useful Terms

Administration Costs: Costs of the **PRs** in dealing with the **Estate** which are deductible from the **Estate** before distribution but not prior to calculating the **IHT** due.

Assets: Anything owned by the deceased, usually with a financial value, even if small.

Beneficiaries: People named in the Will or by the rules of **Intestacy** who will inherit the deceased’s **Estate**.

Estate: The **Assets** (this may include trust property) less the **Liabilities** of the deceased.

Estate Accounts: Accounts for the estate showing all **Assets**, **Liabilities**, **Administration Costs**, **IHT** and the distribution of the **Estate**.

Grant of Representation: The legal document which authorises the **PRs** to act. If there is a Will, this is known as the **Grant of Probate**. If there is no Will or the Will does not appoint executors, this is known as Letters of Administration (with Will annexed, where applicable).

Inheritance Tax (IHT): Tax payable on the value of the estate over a certain figure. The figure will be dependent on the circumstances of the deceased.

IHT Forms: The forms needed to apply for the **Grant of Representation** and to confirm the value of the **Estate**. Usually, if there is no **IHT** to pay you would use IHT205 and if there could be **IHT** to pay, you would use IHT400.

Intestacy: This is where somebody dies without making a Will or where the Will is invalid. There are rules set by law as to who should inherit what.

Liabilities: Debts of the Estate. This may be a loan or credit card or things that have not been paid for at the time of death but have been incurred such as an electricity bill.

Personal Representatives (PRs): These are the people who administer the **Estate** and can either be Executors (where appointed by a Will) or Administrators (if there is no Will or executors are not named in the Will).

Probate Fees*: These are currently £215 if you submit the form yourself or £155 if a solicitor submits on your behalf. There is also a cost of 50p for each subsequent copy of the **Grant of Representation** you may require.

Probate Forms: The PA1 form is the form you would need to complete to send off to the Probate Registry requesting the **Grant of Representation**.

Checklist

- Obtain the medical death certificate
- Contact a funeral director (check for a prepaid funeral plan)
- Locate the Will
- Register the death and obtain an official death certificate
- Secure the deceased’s **Assets**
- Insure any property, car etc.
- Contact the **PRs** (if that is not you)
- Collect Information of the deceased’s **Assets** and **Liabilities**
- Register the death with **Asset** and **Liability** holders
- Open a **PRs** bank account
- Complete the **IHT Forms** within a year of the date of death.
- Complete the **Probate Forms**
- Pay any **IHT** due within 6 months of the date of death.
- Receive the **Grant of Representation**
- Consider a “deceased’s estate notice”
- Collect in/sell **Assets**
- Pay **Liabilities**
- Prepare **Estate Accounts**
- Consider Capital Gains Tax and Income Tax liabilities
- Distribute **Estate**

12
months

6
months

Contact Information

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How Can We Help?

If you are a PR of someone's Estate and you are not sure where to start, please do not hesitate to give us a call for a free, no obligation consultation.

We may be able to assist in a number of ways such as:

- Point you in the right direction
- Give you the tools you need to do this yourself
- Assist with certain aspects of the administration
- Deal with it from start to finish for you

If you feel you need some expert help, we have a price plan suitable for you and we always give certainty as to costs wherever it is possible to do so.

PRs have a legal responsibility and personal liability to administer the Estate correctly and we would recommend you get professional help if you are unsure how to do this.

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What To Do When Someone Dies

