




Grunberg
Probate Services

Guide to Probate & Estate administration

grunbergprobate.co.uk



The background features a collage of three building images. On the left, a brick building with large windows and the word 'Grunberg' in blue lettering. On the top right, a modern white building with glass balconies. On the bottom right, a red brick building with white architectural details and flower boxes.

After someone has died, a legal document known as the **grant of probate** is required to transfer the assets from the deceased to the beneficiaries.

Under a Will, an executor (or in the event of the person dying without a Will, an administrator) will undertake completion of inheritance tax returns and probate application.

In addition to obtaining grant of probate, the executors are required to administer the estate which involves collecting all monies due to the estate, paying all liabilities and then paying out the balance to the beneficiaries in accordance with the Will.

It can be a very **complex procedure** and with this in mind Grunberg Probate Services has created this mini-guide to probate to help explain what's involved.

Grunberg Probate Services are authorised to carry out the reserved legal activity of non-contentious probate in England and Wales by the ICAEW. As specialists in all aspects of taxation, accounts preparation and estate planning, Grunberg Probate Services are best placed to take care of your probate and estate administration work.



We can help you in a variety of ways



Estate administration – assisting the executors or administrators to obtain the “grant or letter of administration” in order to deal with the deceased’s estate.



Identifying the assets and liabilities of the Estate – this can include bank accounts, pensions, properties, shareholdings, taxes, credit cards, insurances, utilities, etc.



Valuing the assets of the Estate – valuing assets in accordance with the Inheritance Tax Act 1984, and claiming all reliefs (spouse exemption, charitable gifts, etc.) and transferable nil rate band if applicable.



Completing the Legal Statement and IHT forms.



Obtaining a grant of probate – correspondence with HM Revenue & Customs and Probate Office.



Estate accounts preparation – drawing up financial statements showing incoming and outgoings of the Estate, and ensuring that assets are distributed in accordance with the Will (or as deemed by law where there isn’t a Will).



Income tax returns – a self assessment tax return may be required if the deceased had income from sources such as self-employment, interest, rental, overseas income or had a capital gains or higher rate tax liability.

Why use Grunberg Probate Services



Competitive pricing

Traditionally, banks and solicitors have charged a percentage of the value of the estate to carry out any probate work and in some cases can be as high as 4% for even the simplest of estates. In some instances, the time it takes them to gather all the necessary financial and tax related information can prolong the process, which may lead to interest arising on tax due. Our fees are based on actual time spent in assisting with administering the estate and are therefore tailored to suit individual estates and the level of support and assistance required.

At Grunberg Probate Services our understanding of financial documents, particularly when it comes to calculating inheritance tax, income tax and capital taxes means that we can carry out the process quickly and concisely. This is especially relevant where the deceased was an existing client. This means we spend less time gathering all the relevant information, therefore keeping the costs to a minimum.



Tax specialists, helping to keep your tax liability to a minimum

As tax specialist you can be confident that we have the knowledge required to handle the tax affairs of the deceased. Not only can we steer you through the intricacies of inheritance tax, income tax and capital taxes but our experience may also help you and the beneficiaries to minimise the amount of tax that needs to be paid from the estate.

As well as calculating the tax liabilities of the deceased's estate, we can also work with you and any of the beneficiaries to set in place plans to minimise their future tax burdens.



A confidential, personal service

We fully appreciate how difficult a time this is for you, your family and your loved ones, so we take as much of the administrative burden away from you as soon as possible. You can be assured of an unobtrusive and compassionate service.

Applying for probate

The probate process can be very time-consuming and involves complicated legislation and financial information, which can be very daunting if you're not used to dealing with such matters. Typically the process involves:



Finding the Will

- Going through the deceased's paperwork, or requesting a copy from his or her solicitor or bank, or;
- if there is no Will, identifying the next of kin who can take on the role of administering the estate.



Valuing the estate

IHT is calculated on the net estate of the deceased. The assets (and liabilities) to be considered will include:

- Assets held in the deceased's sole name
- Assets held jointly
- Foreign assets (where the deceased was UK domiciled)
- Assets held in certain trusts from which the deceased was entitled to benefit
- Liabilities of the estate

The basic requirement is to treat the assets as if they had been sold on the open market on the date the deceased died. However, the IHT legislation lays down specific requirements for the way in which some of these assets are to be valued.

In some cases, if IHT is payable on the estate, or it is just below the IHT threshold, it is advisable to use a chartered surveyor to value land and buildings and a suitably qualified valuation professional to value unquoted shares.

As a rule, estimated values should not be included for significant assets. However, where some figures are not known then the return can include estimated figures. These should be based on information available rather than just be guessed. The IHT400 notes make it clear that estimates should only be used for small items such as household liabilities or tax refunds. Where an estimate has been used the fact should be disclosed on the IHT400.



Income tax to date of death

A self-assessment form will always be required where the deceased:

- was self-employed
- had taxable income from securities options or share options (excluding dividends) or share-related benefits
- received income from abroad except for foreign dividends up to £300
- received income from the estate of a deceased person or a trust
- was covered by a foreign life insurance policy
- had a capital gains tax liability

Where required, the personal representatives must complete a self-assessment return for the deceased for the period from 6 April up to the date of death.

HMRC will normally send the return after the end of the tax year in which the person died but you would have to determine the tax liability/refund before the end of the tax year if you have to establish the inheritance tax liability within six months from date of death. However, the return can be asked for earlier if required.



Inheritance Tax (IHT)

N.B. if Inheritance Tax is due this must be paid within **six months** of death and the Inheritance Tax Return has to be submitted within 12 months of death to avoid penalties. Also, without the payment of Inheritance Tax an application for probate cannot be made.

As part of the application for the grant of probate the applicant(s) must provide information about the IHT status of the estate to the probate registry. HMRC will provide a code and their figures of the gross and net estate figures. In your role as executor you will have to review them to ensure that the figures are correct, as they form part of the legal statement, which the executors sign.

Where a personal application is made, the information needs to be included in the form PA1P if there is a Will or PA1A if there is no Will.

The information required depends on whether or not the estate is “excepted”, the domicile of the deceased and whether or not a personal application is being made.

Where the deceased was resident in UK (UK domiciled up to 5 April 2025) the IHT liability is based on the whole of their worldwide assets.

If an estate qualifies as excepted then there is no requirement to deliver an IHT account (form IHT400) to HMRC. However, as executor you have to work out the gross and net estate figures required to be shown on the grant of probate.

The majority of estates are excepted estates, which means there is no IHT liability because there are insufficient assets chargeable to IHT. However there are other conditions that the estate must also meet.

Applying for the grant of representation:

- Filling in the inheritance tax forms for His Majesty's Revenue and Customs (HMRC) including providing valuations of all the deceased's assets and calculating how much tax there may be to pay.
- Completing the probate application form.
- Signing the Legal Statement that all the information provided is correct to the best of your knowledge, that you are entitled to take out the grant and that you will administer the estate in accordance with the law.
- Sending the above forms, original Will and relevant fees to the Probate Office.

Administering the estate:

- Sending copies of the grant of representation to the deceased's bank, land registry and other asset holders.
- Advertising for creditors to come forward with any outstanding debts the deceased owed them.
- Liquidating the assets to provide funds to pay debts, taxes and the beneficiaries of the estate.

Preparing estate accounts:

- Drawing up financial accounts which show all the transactions coming into and going out of the deceased's estate.
- Distributing the assets to the beneficiaries as highlighted in the Will, or as deemed by law if there isn't a Will.



Deed of variation

Where the assets pass to the beneficiaries in a way that is felt not to be desirable it is possible for the Will to be 'rewritten'. This is achieved by an arrangement known as a 'deed of variation' or 'deed of family arrangement'.

The deed must be executed within two years of the death.

The deed can be effective for IHT and/or capital gains tax (CGT). If the beneficiaries making the variation want it to take effect for IHT, CGT or both, the variation must contain a statement to that effect.

The changes will only be effective from the date of death (S62TCGA92 and s142 IHTA 1984) if the deed contains a statement of intent that it is to take effect for tax purposes.

Deeds of variation may be effective for Capital Gains Tax and IHT but they do not change either the general law position or the income tax position.

Estate tax returns

Any untaxed income and capital gains received during the administration period should strictly be returned on the self assessment 'Trust and Estate Tax Return' SA900, which is dependent on the size of the estate, income and or capital gains within the administration period. In practice, HMRC often adopt informal procedures for agreeing the tax liabilities of the estate where the tax liability is small.

The administration period means the period beginning with the deceased's death and ending with the completion of the administration of the estate. Any asset still held by the personal representatives at the end of the period of administration is treated as though held under a bare trust and any income arising is assessed on the beneficiaries.

The personal representatives may claim deductions for trading or rental business expenses as usual. However, on this return, relief cannot be given for testamentary expenses, administrative expenses or loan interest. The only exception is interest relating to a loan taken out to pay the inheritance tax; this may be deducted.

The **next** step...

We try to complete the probate process as quickly and smoothly as possible. We also aim to keep the costs of administering the estate as low as possible. For an initial probate consultation at our cost, please contact **Sunil Ghela** or **Peter McMahon**. We look forward to hearing from you.



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