

# Wollen Michelmore

SOLICITORS

## THE NEW STEALTH TAX

Are you in the position where you, or someone you know, have been recently bereaved? We recommend that you speak to us as soon as possible as there may still be time to reduce the court fee you are charged for obtaining a Grant of Probate.

You may have read this month that the Ministry of Justice (MOJ) is increasing the fees levied by the Probate Registry for an application for a Grant of Probate. It has been glossed over slightly in the light of Brexit and the Spring Budget.

However, it will be introduced very soon, probably as early as May 2017.

A reasonable increase is to be expected every few years for inflationary reasons and to provide a modernised service, but it is unreasonable to increase fees in the scale proposed. Wollen Michelmore strongly opposed the consultation carried out by the MOJ. The work undertaken by the Probate Registry is the same regardless of the size or value of your estate. The fact that someone is wealthy or not, does not have any bearing on whether their will is valid or not, or whether their executors are correctly appointed or not. It seems disproportionate then to increase the cost of applying for a grant based on the value of the assets to be dealt with by the grant.

The new fee structure is likely to come into effect sometime in May 2017. From May, the fee structure for probate applications will be as follows:

- £300 for estates worth more than £50,000 and up to £300,000
- £1,000 for estates worth more than £300,000 and up to £500,000
- £4,000 for estates worth more than £500,000 and up to £1 million
- £8,000 for estates worth more than £1m and up to £1.6 million
- £12,000 for estates worth more than £1.6m and up to £2 million
- £20,000 for estates worth more than £2 million

The current fee (where a solicitor is involved in making the application) is £155. These increased fees are therefore very substantial.

This fee will need to be paid up front which may cause issues for those “asset rich, cash poor” family members.

It will also have a serious knock on effect to the income of charities. If a charity receives 100 residuary legacies in a year, it could cost them £100,000 in revenue directly as a result of these charges.

It may, in future, be possible to arrange assets in such a way as to avoid some or all of these fees but we would urge extreme caution when trying to plan around the fees. In some cases it may be most beneficial for you to simply accept the additional charge rather than trying to execute some risky plans which could affect the security of your assets.

Always speak to our Private Client team in the first instance to ensure that your plans are as secure and efficient as possible.

Visit [www.wollenmichelmores.co.uk](http://www.wollenmichelmores.co.uk) or call Chris Linton on 01803 213251 or email: [Christopher.Linton@wollenmichelmores.co.uk](mailto:Christopher.Linton@wollenmichelmores.co.uk)