**EC0328n2\_probate fees**

**Probate Fees**

**Article from The Week**

**Fees for discharging some estates could soar to £20,000**

Probate fees are paid to courts to get approval for an estate to be discharged. To do this the court looks over any wills and a death certificate before granting permission to executors to distribute the estate.

**How much are fees going up by?**

At present fees for probate are set at £155 for those applying through a solicitor and £215 for those without legal representation. Estates worth less than £5,000 pay no fee.

In this month’s Budget it was revealed that a new fee structure will be introduced from May 2017.

Under the new system a sliding scale will be introduced with probate fees decided on the basis of the value of the estate.

| **Value of estate** | **New fee** |
| --- | --- |
| Less than £50,000 | £0 |
| £50,000 to £300,000 | £300 |
| £300,000 to £500,000 | £1,000 |
| £500,000 to £1m | £4,000 |
| £1m to £1.6m | £8,000 |
| £1.6m to £2m | £12,000 |
| £2m and above | £20,000 |

**Is this a sneaky new stealth tax?**

Many people think so. “I do not think it is right that the government should introduce stealth taxes,” Jacob Rees-Mogg MP said in a parliamentary debate on the budget.

“Probate charges should relate to the cost of the probate work, which is broadly irrelevant to the size of the estate.”

Mr Rees-Mogg is not alone in voicing his disapproval: several Tory backbenchers have raised concerns about the fee rise, with one describing it as “a death tax by any other name”.

What many find particularly galling is that the rise is going ahead despite the fact that the vast majority of respondents to a consultation on the rise opposed it.

“Out of the 829 responses to the consultation document, 63 agreed with the proposals, 695 disagreed and 71 neither agreed nor disagreed. Where is the democracy in that?” says Patrick Moroney in a letter to The Times.

Finance journalist Dan Hyde has expressed his outrage in the Daily Mail. “Even though probate is little more than a rubber stamp on a document written by a clerk, small print in the Budget last week showed it’s been reclassified on our national balance sheet as a ‘tax’ rather than a ‘fee’.

"Since when was the Government able to bring in a new tax without telling anyone?”

**What’s the argument for the rise?**

The Ministry for Justice has defended the huge increase in probate fees by saying 57 per cent of estates will be lifted out of paying fees.

“We are introducing a fairer banded system of probate fees which will mean more than half of estates pay nothing,” a Ministry of Justice spokesperson said. “The probate fee will always be recoverable from the estate, so executors will not end up personally out of pocket.”

**Could we see another government U-turn?**

There is plenty of opposition to the probate fee hike, both in the media and Parliament. One MP has already raised the issue with the Ministry of Justice and asked them to review the decision.

Another said that Parliament is “just waking up to” the consequences of the new probate fees, according to the Financial Times.

*This article was from The Week and was legally licensed through the NewsCred publisher network. Please direct all licensing questions to legal@newscred.com.*

