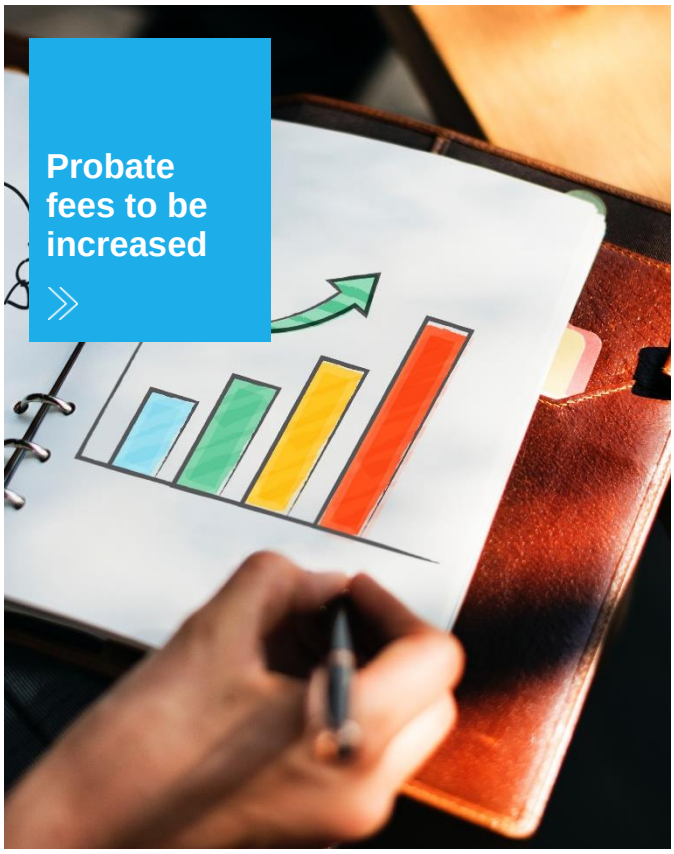
NEWSLETTER
January - February 2019

What to expect in 2019

Welcome to our first bi-monthly newsletter of 2019 – This special edition issue looks at the topics we think will dominate the industry headlines this year. Read on to find out how increased probate fees, Inheritance Tax and Brexit could be some of the biggest stories in the year ahead.



Fees to obtain a Grant of Probate are expected to increase

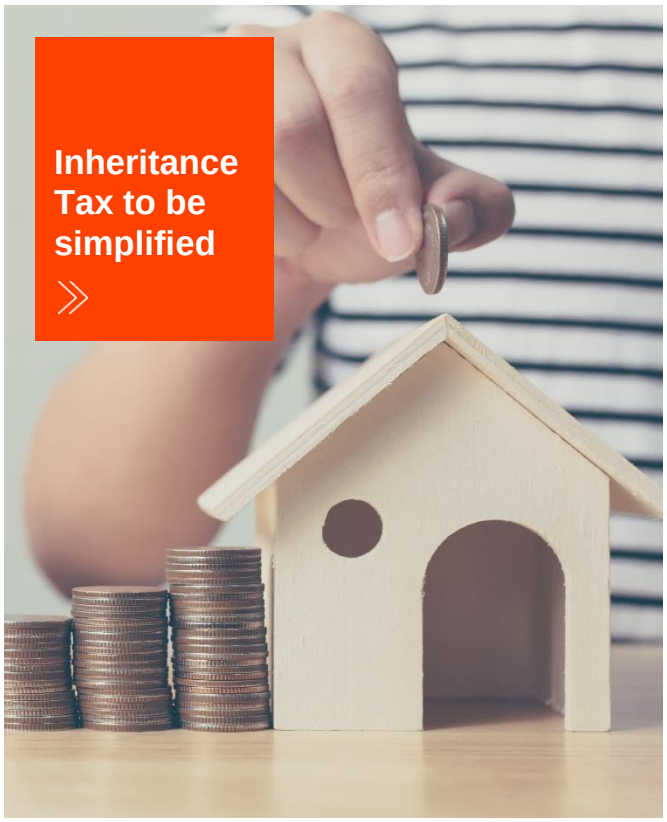
In November 2018, the Ministry of Justice announced that legislation to introduce tiered probate fees had been presented before Parliament. We expect to see these changes to probate fees coming into effect from as early as April. These increases in probate fees have been in the news since February 2017, when the plan to introduce a banded structure of fees based on the estate value was originally revealed. After a delay, it now appears that the government will finally move forward with the changes this year.

The current fee for obtaining a Grant of Probate is £215 for individuals and £155 for professional bodies. The new fees will instead be based on the value of the estate as follows:

- Estates worth less than £50,000 will typically **not require a Grant of Probate**. The estate threshold will rise from £5,000 to £50,000 when the legislation is introduced.
- From £50,000 up to £300,000 = **£250 fee; f**rom £300,000 up to £500,000 = **£750 fee; f**rom £500,000 up to £1 million = **£2,500 fee; f**rom £1 million up to £1.6 million = **£4,000, fee; f**rom £1.6 million up to £2 million = **£5,000 fee**; and over £2 million = **£6,000 fee.**

The planned fees have recently been largely criticised by the House of Lords, however despite this, it now looks like they will be introduced on 6th April 2019.

Don't hesitate to get in touch for more information on the changes to probate fees.



Inheritance Tax could be simplified

It is expected that there could also be some changes to simplify Inheritance Tax this year. In November 2018, the Office of Tax Simplification (OTS) released their first report following a review of the current Inheritance Tax system. The Chancellor requested the review and the OTS provided recommendations to simplify Inheritance Tax from an administrative and technical standpoint.

The OTS recommended that "*The government should implement a fully integrated digital system for Inheritance Tax".* We predict that the government will start to create a digital system this year but this will be a time-consuming task. It is probable that the government may first proceed with some of the other recommendations made by the OTS that will be quicker to implement.

These include simplifying the current Inheritance Tax forms, establishing a short form for the simplest estates, introducing an automated payment receipts system, and streamlining the probate and payment process with HM Courts and Tribunals Service.

It is also expected that the OTS is to release a second report covering wider areas of concern in spring 2019.

If you have any questions regarding Inheritance Tax, contact us using the details overleaf.

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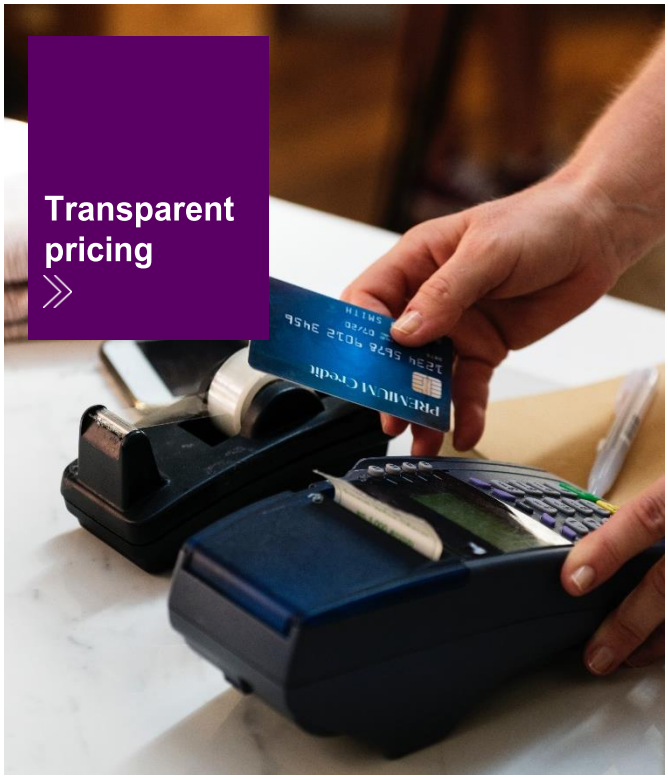
WILL TRUST & PROTECT



More transparent pricing in the legal sector

In December 2018, the Solicitors Regulation Authority (SRA) and the Council for Licensed Conveyancers (CLC) put new rules in place to make pricing in the legal sector more transparent. We predict that consumers will be able to make more informed buying decisions when using legal services in 2019 and beyond. As more legal professionals should have already published their prices online.

The SRA's rules apply to those legal professionals they regulate who work in certain areas, including probate and conveyancing. These firms must clearly present price information so that it is easy for consumers to understand. This includes providing a total cost where possible, explaining the basis of charges (hourly rate, fixed fee, etc.), highlighting any expected disbursements, and stating whether VAT is included.

The 'CLC Informed Choice Rules' require the property and probate firms they regulate to display cost and service information prominently on their websites, including examples of fees for a wide range of services. Service information should also indicate timescales and could include or link to reviews.
We predict that as a result of these new rules, we will see more legal professionals adding pricing information to their websites.

For more information on pricing, don't hesitate to contact us.

Brexit

We couldn't complete our list of what to expect in 2019 without mentioning the ever-looming Brexit. Especially as there's already concern that there could be a skills shortage within the legal sector in the event of a no deal Brexit. Back in October 2018, the All-Party Parliamentary Group (APPG) on Legal and Constitutional Affairs published a new report following their inquiry into the effect of Brexit on the legal services sector.

The report states that *"The legal services sector has profited from the ability to attract talent from across the globe, and the right to work in the European Union. It is very important that post-Brexit, a labour mobility framework which guarantees these abilities is put in place."*

Additionally, the report adds: *"Securing the right future relationship with the European Union is of utmost importance. A no deal scenario would be devastating to the legal services sector and should be avoided at all costs."*

With much uncertainty about what will happen, it's difficult to make too many predictions about the outcome at present. However, one thing we can be sure of is that it will definitely be a popular topic of conversation throughout 2019.

If you would like to discuss Brexit further, please contact us using the details below.

Contact us if you have any questions or need further information on probate fees, Inheritance Tax or any query you may have regarding estate planning– we're always happy to provide advice and guidance to suit you. Call us on 01462 615233 or email info@willtrustandprotect.co.uk