STATUTORY INSTRUMENTS

1982 No. 316

TRUSTEES

The Public Trustee (Fees) (Amendment) Order 1982

Made - - -	*5th March* 1982
Coming into Operation	*1st April* 1982

The Treasury, in exercise of the powers conferred on them by section 9 of the Public Trustee Act 1906(**a**), and with the sanction of the Lord Chancellor, hereby make the following Order:—

1. This Order may be cited as the Public Trustee (Fees) (Amendment) Order 1982 and shall come into operation on 1st April 1982.

2. The Public Trustee (Fees) Order 1980(**b**) shall be amended as follows:—

(*a*) in paragraph 11(2) (which prescribes the executorship fee payable), for the words "5 per cent." and "£500" there shall be substituted the words "5½ per cent." and "£550" respectively;

(*b*) in paragraphs 15(2) and (3) (which prescribe the acceptance fee payable) for the words "1 per cent." there shall be substituted the words "1¼ per cent.", for the words "£150" the words "£175", and for the words "£500" the words "£550";

(*c*) the following paragraph shall be substituted for paragraph 17(4) (which prescribes the rate of administration fee payable):—

"(4) The relevant percentage of the net capital value of the estate or the trust fund shall be as follows:—

in respect of the first £25,000	2¼ per cent.
in respect of any excess over £25,000 up to £100,000.....	2 per cent.
in respect of any excess over £100,000 up to £1,000,000	1½ per cent.
in respect of any excess over £1,000,000	½ per cent.

but so that the fee payable shall not be less than £20:

Provided that—

(*a*) where the Public Trustee is acting exclusively as custodian trustee, the fee payable shall be reduced by one-half where the trust was accepted before 1st April 1980;

(**a**) 1906 c.55, as amended by section 1 of the Public Trustee (Fees) Act 1957 (c.12), and section 2(1) of the Administration of Justice Act 1965 (c.2).
(**b**) S.I. 1980/370, as amended by S.I. 1981/324.

(*b*) where he is acting exclusively as trustee of a settlement under the Settled Land Act 1925(**a**), it shall be reduced by three-quarters in respect of any part of the trust property which at the date on which the fee becomes payable is represented by land; and

(*c*) where he is acting as trustee under a declaration of trust for one beneficiary only it shall be reduced by five-eighths.";

(*d*) the following paragraph shall be substituted for paragraph 17(5) (which ascribes meaning to certain words):—

"(5) In this paragraph—

"appropriate valuation date" means whichever of the following dates next precedes the date on which the fee is payable:—

(*a*) 1st July 1979 in the case of any estate or trust in which the Public Trustee was acting on that date; and

(*b*) in any other case, its acceptance valuation date; and

"relevant period" means the period between the appropriate valuation date and the date on which the fee is payable.";

(*e*) in paragraph 18 (which prescribes the administration fee payable in respect of annuities), for the words "$2\frac{3}{4}$ per cent." there shall be substituted the words "3 per cent.";

(*f*) in paragraph 19 (which prescribes when the withdrawal fee is payable), after sub-paragraph (*c*) there shall be inserted the following sub-paragraph:—

"(*d*) the Public Trustee retires from all duties in respect of an estate or trust the total value of which does not exceed £10,000.";

(*g*) the following paragraphs shall be substituted for paragraph 20 (which prescribes the rate of withdrawal fee payable):—

"20.—(1) The withdrawal fee shall be charged at a relative percentage of the gross capital value of the property withdrawn or distributed.

(2) The relative percentage shall be three times the effective rate of administration fee charged, or deemed to have been charged, on that property on 1st April prior to withdrawal or distribution:

Provided that where the property did not form part of the estate or trust on that date the value of that property on its acceptance valuation date shall be used to determine the effective rate of administration fee as if it had formed part of the estate or trust on 1st April prior to withdrawal or distribution.

(3) In this paragraph "effective rate" means the percentage rate determined by the following formula:—

$$\frac{a}{b} \times 100$$

where a = the amount of administration fee charged, or deemed to have been charged, on the property on 1st April prior to withdrawal or distribution; and

(**a**) 1925 c.18.

b = the value on which that fee was, or was deemed to have been, assessed

but so that the rate so determined shall not exceed $2\frac{1}{4}$ per cent.";

(*h*) paragraph 23 (which prescribes the fee for tax work) shall be deleted;

(*i*) paragraph 23A (which prescribes the fee for agency work) shall be renumbered "23";

(*j*) in paragraph 26(1) (which prescribes the income collection fee payable), for the words "$2\frac{3}{4}$ per cent." there shall be substituted the words "3 per cent.";

(*k*) after paragraph 27 there shall be inserted the following paragraph:—

"*Investigation fee*

27A. On being asked to act as trustee of an existing trust the Public Trustee may demand the deposit of a fee or fees as he may deem sufficient to cover the cost of examining and considering relevant documents and accounts whether or not he subsequently accepts appointment as trustee and in the event of his appointment he may, at his discretion, set off all or part of the fee or fees so deposited against fees then due under Parts II and III of this Order.";

(*l*) the following paragraph shall be substituted for paragraph 29(3) (which prescribes the rate of management fee payable on common investment schemes):—

"(3) The management fee shall vary in accordance with the capital value of the fund on the relevant accounting date and shall be charged as follows:—

in respect of the first £5,000,000	$\frac{9}{32}$ per cent.
in respect of any excess over £5,000,000 up to £10,000,000	$\frac{8}{32}$ per cent.
in respect of any excess over £10,000,000 up to £15,000,000	$\frac{7}{32}$ per cent.
in respect of any excess over £15,000,000	$\frac{6}{32}$ per cent."

Dated 3rd March 1982.

John Selwyn Gummer,
Tony Newton,
Two of the Lords Commissioners of Her Majesty's Treasury.

Dated 5th March 1982.

Hailsham of St. Marylebone, C.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order further amends the Public Trustee (Fees) Order 1980.

The principal amendments are as follows:—

(1) the executorship fee applicable to the first £50,000 of value is increased from 5 per cent. to $5\frac{1}{2}$ per cent.; the minimum fee is increased (paragraph 2(*a*));

(2) the acceptance fee which is one-half of the rate of executorship fee is correspondingly increased; the minimum fee and lower rates are increased (paragraphs 2(*a*) and (*b*));

(3) an administration fee scale whereby the rate of fee decreases as the value increases is introduced in place of a flat rate; the rate applicable to the first £25,000 of value has been increased and rates applicable to values over £100,000 have been decreased, reduced fees are maintained for certain categories of trusteeship (paragraph 2(*c*));

(4) the validity of the present valuation dates for the purpose of calculating the administration fee have been extended (paragraph 2(*d*));

(5) the withdrawal fee is not to be charged on retirement from an estate or trust of less than £10,000 in value (paragraph 2(*f*));

(6) a sliding scale for the withdrawal fee, based on a multiple of the new scale for the administration fee, has been introduced in place of a flat rate fee paragraph 2(*g*));

(7) the fee for tax work, other than agency work, has been abolished (paragraph 2(*h*));

(8) the income collection fee is increased from $2\frac{3}{4}$ per cent. to 3 per cent. (paragraph 2(*j*));

(9) the management fees for common investment schemes are increased (paragraph 2(*l*)).

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