

ISA Additional Permitted Subscription (APS)



Redmayne
Bentley

The Additional Permitted Subscription (APS) allows you to subscribe additional funds to your ISA in addition to your own annual permitted ISA allowance (currently £20,000). Anyone who was married or in a civil partnership with someone who died on or after 3rd December 2014 can apply for this allowance. If the deceased died before 6th April 2018, the APS is equal to the value of the ISA on the date of death. If the Deceased died on or after 6th April 2018, their ISA

will become a 'Continuing ISA'. It will keep this status until the earliest of:

- The completion of the administration of the estate
- The third anniversary of the date of death
- The closure of the ISA due to all the funds being withdrawn

The 'Continuing ISA' will continue to benefit from tax advantages of an ISA and growth will continue to be tax free.

WHAT IS MY APS?

The value of your APS is independent from any assets held within the ISA, therefore, if under the will the assets are inherited by another member of the family, you are still entitled to apply for the APS. You can fund your APS with your own cash or cash/stocks which you may inherit.

WHO IS ENTITLED TO AN APS?

You must have been married or in a civil partnership with the holder of the ISA, and have been living together at the time of their death. The term 'living together' is defined within the meaning of Section 1011 of the Income Tax Act 2007, therefore, certain exceptions apply.

WHAT CAN I DO WITH MY APS?

You can use your APS in permitted ISAs. An ISA can be opened with the same provider as your spouse and you can transfer the ISA if you have inherited the assets, or you can use your own funds to subscribe to your APS.

If your spouse's ISA contained stocks and shares, and you have inherited the investments under the will, you can use your APS to transfer the investments in specie to your own ISA with the same ISA provider. (See right for further information on transferring investments to another provider).

If you are the beneficiary of a portion of the assets, you are still entitled to 100% of the APS. You can transfer in specie the portion of assets to which you are entitled under the will, and use your own funds to make up the rest of your APS.

Funding the APS can be done in stages with Redmayne Bentley.

HOW DO I APPLY FOR MY APS?

If you wish to fund your APS with cash only, you do not have to wait until the Grant of Probate has been granted. All you need to do is send us the death certificate and a completed *APS Application Form* (this is available on request). You have three years from the date of death to utilise the APS.

If you wish to fund your APS with assets, and transfer in specie, you must be the beneficiary of those assets. This cannot be done until the Grant of Probate has been granted. You will need to send us the Grant of Probate, signed instructions from all named executors and an *APS Application Form*. You have 180 days from the date you become entitled to the assets to make a transfer in specie.

This is usually the date we are formally notified by executors to distribute the assets.

If you do not already have an ISA with Redmayne Bentley, you will need to follow our normal procedure for opening an ISA and complete our *ISA Application Form* which is available from www.redmayne.co.uk/forms or in hard copy on request.

CAN I TRANSFER MY APS TO ANOTHER PROVIDER?

Yes. If you want to fund your APS in cash only, you can transfer the APS allowance to another provider and make the subscriptions once the transfer is complete. Please refer to www.redmayne.co.uk/isa and www.redmayne.co.uk/terms for more information.

If you want to transfer investments in specie to fund your APS, you can only do this with the same provider. An ISA transfer between ISA providers can be done after the in specie transfer has completed under normal ISA transfer rules.

Please note it is not possible to do a partial transfer of an APS and it can only be transferred once. It is not possible to make an in specie transfer where the APS has already been transferred to another provider.

In order to transfer the APS you will need to complete the new provider's APS transfer form, available on request.

If you would like to discuss your options, or if you have any queries regarding any of the information above, please do not hesitate to contact the Custody Management Team on 0113 200 6580 or your local Redmayne Bentley office.

This information is, to the best of our knowledge, a correct interpretation of the APS rules and we have taken every step to ensure its accuracy. Redmayne Bentley does not provide tax advice, therefore, you may wish to consult a tax adviser. Please note HM Revenue and Customs review and investigate tax schemes and transactions.

Please note that investments and income arising from them can fall as well as rise in value and you may lose some or all of the amount you have invested. Tax treatment depends on the specific circumstances of each individual and may be subject to change in the future.