

Additional permitted subscriptions (APS) from an external source

Adviser guide

Edition

01

Contents

1. Introduction.....	3
1.1 Three-stage process.....	3
1.2 Required documents.....	3
2. Initial request to transfer an APS allowance	4
2.1 What we need from you.....	4
2.2 What happens when the required documentation is received.....	4
3. Response from the deceased’s Isa manager	5
3.1 What happens when the confirmation from the deceased account holder’s Isa manager is received	5
4. Subscription request.....	5
4.1 What we need from you.....	5
5. Support	6

1. Introduction

When an Isa account holder dies, it's possible for their spouse or civil partner to gain an additional Isa subscription allowance, in addition to their own £20,000 subscription level.

For deaths between 6 April 2015 and 5 April 2018 this additional allowance is:

- the value of the deceased account holder's Isa fund when they died.

For deaths on or after 6 April 2018, the additional allowance can be either:

- the value of the deceased account holder's Isa fund at the date of death; or
- the value of the deceased account holder's Isa when either the Isa is closed or three years after the date of death.

This guide shows how to key an Isa subscription using this additional permitted subscription (APS) where the original Isa is held with an external Isa manager (i.e. not Nucleus).

1.1 Three-stage process

This is a three-stage process for the client (surviving spouse or civil partner):

Stage 1

Nucleus asks the deceased account holder's Isa manager for confirmation of the APS limit. Isa cash funds must not be sent at this stage.

Stage 2

Nucleus receives confirmation of the APS limit from the Isa manager and records the APS value on the client's Isa account (as an available subscription allowance).

Stage 3

Funds can now be added to the Isa account up to the value of the APS limit – either directly in cash by the account holder or through a request to the deceased account holder's Isa manager to transfer the Isa funds as a cash transfer.

1.2 Required documents

If this is a new Isa account being opened, we require:

Document	Stage for submission
Isa application	Stage 1

For receipt of an APS from an external source, we require:

Document	Stage for submission
Isa APS transfer authority form (0358)	Stage 1 – we require an original signature
Isa declaration (client signature required)	Stage 1
Isa APS declaration (0270)	Stage 3



The APS declaration can only be completed and submitted when the APS valuation is known.

2. Initial request to transfer an APS allowance

When an Isa account holder dies, their spouse or civil partner can 'inherit' an additional Isa subscription allowance. (This allows any inherited Isa funds to be paid into the spouse or civil partner's own Isa without breaching the standard £20,000 subscription limit.) The spouse or civil partner can inherit the additional Isa allowance even though they may not inherit any of the funds paid from the deceased's estate.

The deceased Isa account holder and the surviving spouse/civil partner must have been living together at the date of death (in other words not separated or in circumstances where the marriage or civil partnership has broken down). This additional subscription level only applies to Isa accounts – not to other types of investments or savings.

The first step is to request the transfer of the APS allowance from the external Isa manager to Nucleus. At this stage, you will be requesting only a transfer of the allowance (not of the funds).



It is important that you do not instruct funds to be sent at this stage – first we have to confirm the value of the additional allowance with the deceased account holder's Isa manager.

Any funds received without the relevant completed paperwork will be returned to the deceased account holder's Isa manager.

For deaths after 6 April 2018, the APS can be either the:

- value of the Isa at date of death; or
- value of the Isa at date it is closed.

The original Isa account does not have to be closed to transfer the APS allowance. This can be done before the Isa account is closed by the executors.

However, if the spouse/civil partner wishes to take advantage of having the (potentially) higher of these two figures, the executors must have requested that the Isa account is closed before Nucleus write to the deceased account holder's Isa manager. (Closing an Isa account means removing the tax advantages from the account, so that subsequent income from the investments will be taxed).

Otherwise, the deceased account holder's Isa manager can only confirm the APS valued at the date of death.

Please remember this is only if the Isa account holder died on or after 6 April 2018 – if they died before that date the APS is always the value of the Isa at the date of death.

2.1 What we need from you

- If the client (spouse or civil partner) is new to Nucleus, please key an Isa application and submit a completed client declaration and a copy of the application summary.
- The client should complete an Isa APS transfer authority form (0358), downloadable from the platform library. For the purposes of this form, the investor's details are the spouse or civil partner's details. This should be signed by the spouse or civil partner – we require an original signature, please make sure this is an original signature as we can't accept scanned or photocopied versions.
- If the client already holds a Nucleus account, then they should complete a new Isa declaration if they have a gap in Isa subscriptions of over one year.
- Advise the deceased account holder's Isa manager of their death (if not already notified) and, if the deceased Isa account holder died on or after 6 April 2018, determine if the deceased account holder's Isa account is to be closed depending on the preferred valuation method.



Please do not submit monies at this stage as these will be returned.

2.2 What happens when the required documentation is received

We will process the Isa application, and contact the deceased account holder's Isa manager for confirmation of their APS allowance. The account will remain pending until this confirmation is received.




As Nucleus will not chase the Isa manager for confirmation of the APS allowance, it is important the firm or client monitors this.

3. Response from the deceased's Isa manager

The deceased account holder's Isa manager will confirm the amount of allowance that is available for the spouse or civil partner.

If the Isa manager is unable to confirm the APS allowance we will notify you by Jira messaging to resolve this (for example, the Isa manager may be unaware of the death).

 The APS must be used within certain timescales – by the later of:

- three years after the date of death; or
- 180 days after the estate completed administration.

3.1 What happens when the confirmation from the deceased account holder's Isa manager is received

We will apply the APS allowance and confirm by letter direct to the client that the transfer of the allowance is complete, and that the additional allowance is now available to be used. The letter will be available to view on client correspondence. An example is shown below.

Dear spouse or civil partner

Isa additional permitted subscription transfer

Thank you for your recent request to transfer an Isa additional permitted subscription (APS) allowance from {deceased ISA manager} to Nucleus.


We can now confirm the transfer of this allowance has been completed and that the additional allowance available following this transfer is £XX. This is the aggregated value of all APS allowances held with {Deceased ISA manager}.

Please note if you wish to utilise your APS subscription allowance you must do so within 3 years from [INSERT DATE OF DEATH] (or within 180 days after the administration of the estate is complete, if later). If you require any further information or assistance your first point of contact should be your adviser {adviser name} who will be best placed to help. You can contact your adviser by calling {adviser telephone number} or by emailing {adviser email address}. If your adviser is unavailable and your enquiry is urgent please contact us on 0131 226 9535 and we will do our best to help.

Yours faithfully

4. Subscription request


Once the confirmation of the allowance has been received, the funds can then be submitted, as described below.

 The subscription can be paid as a single sum or a series of subscriptions. However, every additional subscription will require a new APS declaration.

Funds to meet the APS must be submitted as cash. In-specie (re-registration) transfers are not allowed from an external Isa manager.

4.1 What we need from you

- Client to complete an Isa APS subscription declaration (0270) available on the platform library.
- Send the declaration and a note of the funds to Nucleus through Jira messaging.
 - If funds are sent as a direct credit, please add the client account number (starting N) and 'APS' as a reference – for example APS NXXXXXX.
 - If funds are sent via cheque, the declaration must be attached.

 You will not be notified when the APS money is received. Any APS monies will be applied as cash so please monitor the account to place any investment instructions.

The APS can be funded from various sources – in many cases it will be a transfer from the deceased member's Isa, but it could be funded from the spouse or civil partner's bank account or General account on the platform.

4. Subscription request

What happens when we receive the required documentation

- We will make sure the APS declaration is completed correctly.
- We will allocate monies received against the APS allowance, as cash.

Completing the APS subscription declaration

- Please complete the client's details – this is the spouse or civil partner.
- We need the original signature of the client (spouse or civil partner).
- In specie transfers are only allowed if the APS is being transferred to the same Isa manager – in other words the deceased also held a Nucleus Isa account.

5. Support

Should you have any questions on APS allowances please contact your client relations manager who will be happy to help.



client.relations@nucleusfinancial.com



[@nucleuswrap](https://twitter.com/nucleuswrap)



www.nucleusfinancial.com