

Guide to ISA Additional Permitted Subscriptions

What is an Additional Permitted Subscription (APS)?

An APS allows a spouse or civil partner to inherit their deceased partner's Individual Savings Account (ISA) allowance, in addition to having their own. This can apply even if the partner doesn't inherit the ISA itself.

The surviving partner can transfer the APS allowance from each ISA manager that their partner held ISAs with. They can subscribe with the current provider or transfer the APS allowance to another ISA manager that accepts them.

Who is eligible for the APS allowance?

- A surviving spouse whose partner has died on or after 3 December 2014.
- A surviving spouse who was still married to or in a civil partnership with and living with the deceased as at the date of death (not separated under a court order, deed of separation or in circumstances where the marriage or civil partnership had broken down)
- UK and non-UK resident surviving spouses of the deceased ISA holder
- The APS does not apply to Junior ISAs or Child Trust Funds

How is the APS allowance calculated?

On 6 April 2018 the rules changed so that the APS allowance can include the value of the money passed on if it has grown since the holder died. The ISA may remain open as a 'continuing account'.

The APS allowance will be the higher of two calculations:

Either: equal to the value of the ISA at the date of death

Or: calculated on the date the ISA ceases to be a 'continuing account'. It will cease to be continuing on the earlier of:

- the completion of the administration of the estate
- the receipt of the instruction to close the continuing account
- the third anniversary of the death of the account holder

If you use the date of death figure prior to the 'continuing account' figure being calculated, the allowance is fixed at this figure and cannot be changed to a higher amount at a later date.

How do I find out the value of the APS allowance and transfer it to Brooks Macdonald?

You can only transfer each APS allowance once, and it must be transferred in full. If the death has been registered with the ISA manager, you can ask the ISA manager for the date of death figure. If the 'continuing account' has ceased, you can ask the ISA manager for this figure.

We'll provide you with an APS allowance transfer value form to transfer the APS allowance to Brooks Macdonald. A separate form is required for each ISA manager you want to transfer an allowance from. We will send each completed APS allowance transfer value form to the ISA manager(s) to ascertain the total APS allowance.

Although Brooks Macdonald can transfer the allowance, it cannot instruct the transfer of any assets held by another ISA manager. These are under the administration of the deceased's estate.

If you've subscribed to an ISA using your APS allowance, you can transfer the ISA later in the usual manner. Please refer to your investment manager if this is the case.

What happens next?

Once Brooks Macdonald has received confirmation that the allowance has been transferred to us, the surviving spouse will need to complete and sign an APS authority form. This records how much of the allowance they wish to use and where the assets will come from.

If the surviving spouse does not already have a Stocks & Shares ISA with Brooks Macdonald, they will also need to complete and sign our ISA application form to create an account.

How do I make an APS?

An APS subscription can be made by two methods:

In cash: The funds must be available in the surviving spouse's Brooks Macdonald taxed portfolio and must not exceed the overall APS allowance. The surviving spouse has up to three years to activate this option after the date of death or, if later, 180 days after the completion of the administration of the estate.

In specie: If the deceased had a Stocks & Shares ISA managed by Brooks Macdonald, the assets can be transferred directly without being sold. This is called an 'in specie' transfer. It's possible if:

- the Stocks & Shares ISA was inherited by the surviving spouse
- the assets have remained with Brooks Macdonald in the name of the deceased
- the APS subscription is made within 180 days of the ISA assets passing to the surviving spouse.

Combination (cash and in specie): As above, but these must be requested together in one application.

If you have questions about tax after someone has passed away, you can contact the HMRC bereavement helpline team on **0300 200 3300**.

Tax treatment depends on your individual circumstances and may be subject to change in the future. Brooks Macdonald does not provide tax advice and independent professional advice should be sought.

Speak to your financial adviser
or usual Brooks Macdonald contact
for more information.

Important Information

Investors should be aware that the value of investments and the income from them may go down as well as up and neither is guaranteed. Investors could get back less than they invested. Past performance is not a reliable indicator of future results. Changes in exchange rates may have an adverse effect on the value of an investment. Changes in interest rates may also impact the value of fixed income investments. There are additional risks associated with investments in emerging or developing markets.

The information in this document does not constitute advice or a recommendation and investment decisions should not be made on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

Brooks Macdonald is a trading name of Brooks Macdonald Group plc used by various companies in the Brooks Macdonald group of companies. Brooks Macdonald Group plc is registered in England No 04402058.

Registered office: 21 Lombard Street, London, EC3V 9AH. Brooks Macdonald Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No 03417519. Registered office: 21 Lombard Street, London, EC3V 9AH.

More information about the Brooks Macdonald Group can be found at [brooksmacdonald.com](https://www.brooksmacdonald.com).

BM085-2024-11-018