

Obtaining additional ISA allowances following the death of your spouse or civil partner



Introduction

Since 3 December 2014, where a person holding an ISA passes away and that person was married or in a civil partnership, the surviving spouse or civil partner is entitled to an extra ISA allowance – which is equal to the value of the ISA(s) held by the deceased (even where the spouse or civil partner does not actually inherit the ISA). This is referred to as the additional permitted subscription (APS) allowance.

As the surviving spouse or civil partner, you can use this allowance with the ISA provider of the deceased or your own preferred ISA provider. If you select a different ISA provider, the allowance is passed to that ISA provider. This can happen only once.

We'll allow you to make regular payments to use the allowance (subject to the rules of the product you choose). You may find that some other ISA providers may only allow a one-off payment.

Broadly, the time limit for using the allowance is three years from date of death. We deal with this more specifically below.

In some circumstances, the allowance can be used with stocks and shares that were held by your spouse or civil partner in an ISA. These can be passed to an ISA for you without needing to be sold. In these circumstances the transfer of existing shares should be made within 180 days of the beneficial ownership passing to you.

What is an Additional Permitted Subscription (APS) allowance?

This is an additional allowance independent of the normal annual ISA allowance.

This is not dependent on you inheriting the actual money or investment in the ISA. Inheriting the actual money or investment follows the normal estate process. The APS allowance in no way affects the administration of the estate after death.

The APS allowance is limited to the value of your spouse or civil partner's ISA(s) as at their date of death if this is before 6th April 2018. If their date of death is on or after 6th April 2018, you also have the option to wait until the ISA(s) is closed and then claim an APS allowance equal to the value of their ISA(s) at the point of closure. This will usually be higher as we continue to pay tax-free interest into the ISA(s). Where your spouse or civil partner held multiple ISAs with different ISA providers, you'll be entitled to a separate APS allowance with each of the individual ISA providers.

The APS allowance is not something which can be transferred to another person; it is solely to be used by you.

The APS allowance does not apply to Junior ISAs or Child Trust Funds.

Who is eligible for an APS allowance?

You'll be eligible to apply for the APS allowance if your spouse or civil partner has passed away and at the date of death, you were:

- married or in a civil partnership;
- not legally separated or likely to become legally separated (please note: if either spouse were in a care home, this would not generally be considered as legally separated); and
- 16 years of age or over.

The availability of the APS allowance is not limited to UK residents. If you have moved abroad but your spouse or civil partner still held an ISA(s) in the UK at the date of their death, you'll be entitled to claim the APS allowance. However, how you use the allowance will be limited by the fact that you live abroad.

How can I find out whether I have an APS allowance with Barclays and how much it is?

Enquiries can be made at any of our branches. After verifying your eligibility, we'll be able to provide information about the APS allowance available to you. In all instances the death must have been registered with us before we can supply information about the APS allowance.

What types of APS allowance subscriptions are possible?

APS allowance subscriptions, referred to as payments, can be made to a Cash ISA and/or a Stocks and Shares ISA with the same ISA provider.

Payments can be made in cash or, in some cases, can also be made 'in specie'. Cash payments do not have to be made using the inherited assets. 'In specie' means transferring inherited investments, which were held in your spouse or civil partner's ISA, to an ISA of the same type (a Cash ISA or a Stocks & Shares ISA) with the same ISA provider in your name without selling the investments. The value of assets at the time the transfer is made counts towards the APS allowance limit.

What time limits apply?

The APS allowance has been effective since 6 April 2015.

For subscriptions you make in cash, the APS allowance is available for three years after the date of death, or for up to 180 days after administration of the estate is complete (i.e. when the personal representatives have distributed the assets of the estate), whichever is the later. This is known as the 'permitted period'. For deaths between 3 December 2014 and 5 April 2015, the permitted period begins on 6 April 2015.

However, the permitted period for subscriptions made in specie is within 180 days of beneficial ownership passing to you. For distributions between 3 December 2014 and 5 April 2015, the permitted period begins on 6 April 2015.

Using my APS allowance with Barclays

If your spouse or civil partner's ISA was held with Barclays you can use the APS allowance with us or another ISA provider of your choice. If you choose to use Barclays, we'll ask you to complete an application form to open a new ISA with us. Once completed you can take the form to any branch of Barclays or post it using the address on the application form.

If you do not currently bank with us, you'll need to take your application form to any branch of Barclays where we can verify your identity. You'll need to take the following forms of identification with you:

- Full passport or national identity card issued by a European Community country or a full UK driving licence; and
- Proof of your address(es) for the last three years – for example, a recent utility bill. The latest proof of address must be less than three months old.

You'll be able to pay money in when opening the account via cheque or transfer from another Barclays account. Any amounts deposited exceeding the APS allowance will be returned to you.

We'll allow you to make further payments into the account. Each deposit you make must be accompanied by an APS declaration. You'll need to complete a subscription form each time you add funds against the APS allowance.

Once the account is opened, you'll be able to add your normal annual subscriptions to the ISA, where the product rules allow.

Using my APS Allowance with another ISA provider

If your spouse or civil partner's ISA was held with another ISA provider, you can use the APS allowance with them or you can choose to have the APS allowance transferred to us.

If you would like us to obtain an APS allowance from another ISA provider, we'll be happy to help. As well as completing the application form a transfer form is required (one per ISA provider). We'll arrange to request the transfer of the allowance and will write to you once we have received it.

Once I have made an APS allowance payment can I transfer the ISA funds?

After you have made a payment against an APS allowance with us, you can transfer the cash and/or investments relating to that subscription to another ISA either with us or another provider.

Once you have partially used an APS allowance with an ISA provider, any further APS allowance payments must be made to the same ISA provider.

