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Additional Permitted Subscription for the Elevate ISA: A guide for advisers

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Process overview

1

Please ensure you begin the process of arranging an Additional Permitted Subscription into the Elevate Stocks & Shares ISA by completing and submitting the correct form(s) – see page 6 for guidance.

2

Please do not send us any money/cheques until the relevant forms have been completed.

3

Each form will tell you who should complete it and in what circumstance. If you are in any doubt, please refer to the individual forms for further guidance or contact the Client Operations Support team on 0345 600 2399.

4

Once the process has begun, acceptance of the application will depend on:

- whether you select the cash or in-specie option (cash transfers take around a week to process, in-specie transfers take roughly three times longer to process)
- the correct information being provided, and
- the eligibility criteria being met.

5

If the eligibility criteria are met and application is approved, we will contact you to request that you log into Elevate and key the wizard – please see page 7 for step by step guidance on what this involves.

What is an Additional Permitted Subscription?

In April 2015, the Government announced changes to ISA regulations to help married couples or couples in civil partnerships maintain their ISA tax advantages following the death of their partner.

The Additional Permitted Subscription:

- Is available to surviving spouses or civil partners
- will be equal to the deceased's ISA holdings at the date of death or, if higher, the value of the deceased's ISA holdings at the date it ceases to be a 'continuing ISA'.
- is inherited, not the assets held in the deceased's ISA.¹

The deceased and the surviving spouse or civil partner must have been living together at the date of death. Additional Permitted Subscription cannot be used if they have been separated under a court order, a deed of separation or in circumstances where the marriage or civil partnership has broken down. If the spouse or civil partner was living separately in a care home at the time of death, the APS remains available.



Example

Mr Smith dies with £10,000 in his ISA at the date of his death (we assume this is higher than the value at the date the ISA ceased to be a continuing ISA).

Mrs Smith inherits an Additional Permitted Subscription of £10,000, which is subject to certain restrictions. If Mr Smith has a Will and it states that all of his assets will be left to his children, then Mrs Smith will inherit the allowance of £10,000 but none of the assets.

She will, however, be entitled to subscribe up to £10,000 into her ISA, in addition to her standard annual ISA allowance.

¹ A continuing ISA is where investments are retained in an ISA after the death of the account holder for example the administration of the estate (i.e. the personal representatives have not yet closed the ISA) so the ISA can continue to benefit from the tax advantages. Details about a continuing ISA and when it ceases to be a continuing ISA are in section 3.13 of the **Terms and Conditions of the Elevate General Investment Account and Stocks & Shares Individual Savings Accounts**.

Surviving spouses or civil partners can apply for an Additional Permitted Subscription where a continuing ISA is still in place (i.e. the personal representatives have not yet closed the ISA) and the allowance available will be the ISA value as at the date of death. Alternatively they can wait until the personal representatives have completed administration of the estate and closed the ISA, where the closing value, if higher, will be the amount available for an Additional Permitted Subscription. Once calculated the value of the additional subscription is fixed. The surviving partner cannot for example apply for the Additional Permitted Subscription using the value as at the date of death, then re-apply for a higher amount once the personal representatives have closed the account.

Important information

The Additional Permitted Subscription procedure is in **addition** to the normal death claim process, as detailed in our guide **on the process for payments on death**. We still require sight of the original Grant of Probate or a certified copy and a signed instruction from all executors confirming the assets/cash are to be transferred to the spouse **before** we can release the money from the deceased account to enable us to start the Additional Permitted Subscription process. However, we can start the Additional Permitted Subscription process immediately where the money is coming from an external source in cash.

How can you find out the value of your client's Additional Permitted Subscription?

The value of the Additional Permitted Subscription is equal to the value of the deceased's ISA holdings at the time of their death or, where applicable, the value at the date the deceased's ISA is closed as described above. For ISAs held on Elevate you can contact us to confirm this value.

What happens if the amount of money to be subscribed under an Additional Permitted Subscription is more than the value of the allowance?

If the value held has increased above the value of the allowance we will transfer any additional units and/or cash to the client's General Investment Account.

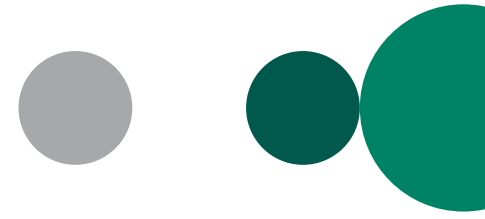
Who can apply for an Additional Permitted Subscription?

- Applications can be made by existing Elevate customers as well as new customers.
- They're subject to eligibility criteria as detailed in the **Terms & Conditions of the Elevate General Investment Account and Elevate Stocks & Shares Individual Savings Account**.
- Anyone, whether they currently invest with Elevate or are new to Elevate, can subscribe to an Additional Permitted Subscription in cash.
- To transfer existing assets in-specie, applicants will need to be an existing Elevate customer with a financial adviser. If you are representing an Elevate client who was previously non-advised then in some circumstances we may not be able to process an in-specie transfer and will therefore have to process it as cash.
- Applicants must be resident in the UK.



Please Note

We cannot accept any cheques or payments in relation to Additional Permitted Subscription until the relevant forms have been received and the eligibility criteria has been successfully met.



How can your client apply?

Your client should start by contacting you, the adviser. If you want to make an application on behalf of your client, please ensure that the correct forms are used depending on the scenario.

Scenario	Forms required
A married couple where one or both have Elevate accounts – one dies and the surviving partner wants to apply for an Additional Permitted Subscription with Elevate.	<ul style="list-style-type: none"> • Additional Permitted Subscription – Application for Elevate ISA (Advised). • Transfer Confirmation Declaration (to be completed by the executors of the estate).
A person holding an ISA with another ISA manager dies and the surviving partner wants to transfer the Additional Permitted Subscription from the other ISA manager to Elevate.	<ul style="list-style-type: none"> • Additional Permitted Subscription – Transfer to Elevate ISA. • Transfer Declaration (to be completed by the other Plan Manager).
Existing Elevate customer dies, the surviving partner wants to transfer their Additional Permitted Subscription away from Elevate.	<ul style="list-style-type: none"> • No forms required – please see page 7 for details.

How can your client apply for an Additional Permitted Subscription with Elevate, where the deceased's ISA is held by a different ISA Manager?

Scenario	Forms required	Helpful tip
Your client is transferring their allowance from another ISA manager.	<ul style="list-style-type: none"> • Additional Permitted Subscription – Transfer to Elevate ISA. This authorises Elevate to deal with the other ISA Manager and allows us to begin the application process. • A Transfer Declaration completed by the other ISA Manager. This declaration confirms the allowance to be transferred to Elevate has not already been utilised elsewhere or will be in the future and the monetary value of the Additional Permitted Subscription being transferred. • We can write to the other ISA Manager on completion of the Additional Permitted Subscription – Transfer to Elevate ISA to request the Declaration – but please note they may not release this information without the spouse's or civil partner's written authority and may ask for additional documents to be signed. We cannot transfer the allowance or accept the subscription until the Transfer Declaration has been received. 	<p>After we receive the relevant forms from you, we will contact the ISA Manager to request the funds, if applicable, along with documentation confirming the Additional Permitted Subscription has not been subscribed to.</p> <p>If the ISA with the other ISA Manager has been closed your client can still invest with us. However, you will need to arrange for the other ISA Manager to transfer the Additional Permitted Subscription to Elevate before they can do so. You'll need to ask the other ISA Manager to complete a Transfer Declaration form and send it to us.</p> <p>Please note, the surviving spouse or civil partner can also make a cash payment to top up a subscription to their Additional Permitted Subscription if required.</p>

Is there a deadline?

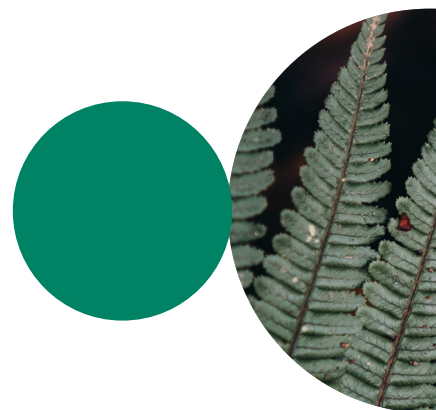
Type of subscription	Deadline
In-specie' subscriptions	Within 180 days of beneficial ownership passing to the spouse.
Cash subscriptions	Within 3 years of the date of death, or if later, 180 days of the completion of the administration of the estate.

If the application is accepted, how do I key the wizard?

When we have accepted the application we will contact you to key the wizard. You can refer to the options letter we issued for the closing value – this is the maximum amount that can be subscribed, unless the deceased held a separate ISA with another provider.

On the surviving spouse's/civil partner's Elevate account, please take the following steps:

- Access the new work tab on Elevate
- New/amend product payment (including top up)
- Add new transfer to – select Elevate stocks & shares ISA
- Add transfer
- Select provider as Elevate
- Add Deceased Elevate account number
- Transfer type (can be either cash or re-reg)
- Tax year – select previous years
- Full or partial (depending if the full Additional Permitted Subscription is utilised or a partial amount)
- If it's an in-specie transfer, select the funds/number of units held by the deceased in their ISA as at either the date of death or the date their ISA ceased to be a 'continuing' ISA, which ever applies (the applicable value will be confirmed in the options letter). The total transfer value cannot exceed this amount.
- Click through the transfer wizard
- Review adviser remuneration
- Validate (this will show if any tabs need amendment)
- Submit the wizard
- Confirm via e-mail to Elevate mailbox when this has been completed



Who is the first point of contact and where are the forms located?

Please contact the Client Operations Support team on 0345 600 2399. They will be able to ensure you receive the correct forms depending on the client's needs.



Please Note

The forms are **not** available on the Literature tab on Elevate, they are only available upon request from the Client Operations Team.

How does your client transfer an Additional Permitted Subscription away from Elevate?

The spouse civil partner will need to confirm with the new ISA manager that they'll accept the subscription (it is not guaranteed that all ISA managers will accept Additional Permitted Subscriptions). The new ISA manager must write to us to request a completed Transfer Declaration (which confirms the value of the Additional Permitted Subscription to them and includes our declarations).

The new ISA manager will need to confirm to us in writing that they accept the Additional Permitted Subscription. If applicable, we'll then arrange for the deceased's ISA to be closed and we'll send a cheque for the value of the Additional Permitted Subscription to the new ISA Manager.

Completed forms and any cheques should be returned to Elevate, PO Box 6877, Basingstoke, RG24 4RT.

Alternatively, if you follow the normal death claim process, we can transfer the cash and assets held in the ISA as instructed by the executors and your client can then apply for an Additional Permitted Subscription with the Plan Manager of their choice. We will await contact from the new ISA Manager and will then provide the required information, so they can process the Additional Permitted Subscription on behalf of your client.

You should not send cheques without the relevant completed forms.

Transfers out must be carried out as cash payments and therefore cannot be processed as in-specie as transfers.



If there is anything more you want to know, please contact us.

Call us on 0345 600 2399

Our lines are open 9am to 5pm, Monday to Friday. As part of our commitment to quality service and security, telephone calls may be recorded.

Email us at Elevate_Enquiries@aberdeenplc.com

Please be aware that emails are not secure as they can be intercepted, so think carefully before sharing personal or confidential information in this way.

Address

Elevate, PO Box 6877, Basingstoke, RG24 4RT

For more information visit aberdeenadviser.com

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