



## Sheffield Mutual's guide to the Additional Permitted Subscription Allowance



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In 2014, the Government announced that it was introducing an Additional Permitted Subscription allowance which would mean that the surviving spouse or civil partner of a deceased ISA holder would be entitled to an additional ISA allowance, equivalent to the value of their deceased partner's ISA. Here, Sheffield Mutual's Business & Client Support Officer, Curtis Parker, takes a look at the Additional Permitted Subscription Allowance in further detail.



## Additional Permitted Subscription

- ✔ **Doesn't count towards** your annual ISA allowance
- ✔ **Separate APS allowances will be available** where an investor held ISAs with several companies
- ✔ An APS can be funded **using your own cash or cash inherited from the deceased's estate**

### How does the APS work?

**CP:** Anyone who was married or in a civil partnership with someone who died on or after 3 December 2014 can apply for an additional ISA allowance, known as the Additional Permitted Subscription (APS).

### Does the APS affect my current tax year ISA allowance?

**CP:** No, as the name suggests, the APS doesn't count towards your annual ISA allowance. For example, if your partner's final ISA value stood at £30,000, this amount would be your APS and you can also use your own current tax year ISA allowance.

### Do I qualify for the APS?

**CP:** You need to have been married or in a civil partnership with the ISA holder and not separated at the time of death. You cannot be legally separated or living in separate homes (except care homes). You don't have to be a UK resident to qualify for the APS but you can't make subscriptions using your annual ISA allowance if you aren't a UK resident.

If your partner held multiple ISAs you'll have a separate APS allowance with each provider. If you want to transfer your APS allowance to another provider you'll need to make sure they'll allow you to use it. At Sheffield Mutual, we accept APS transfers from other providers.

### How can an APS be made?

**CP:** Once you know the value of your APS allowance/s, an APS can be made with a cash contribution using your own cash or cash inherited from the deceased's estate. The APS is independent of the assets held in the ISAs which means even if the assets are passed to another family member, you can still apply for the APS and fund it using cash you already had, or money that you've inherited.

Sheffield Mutual is a member of the Financial Services Compensation Scheme. **You are protected for an unlimited amount** and the FSCS will pay the **entire claim** if we are unable to meet our obligations.



Continued overleaf>

## Which type of ISA?

**CP:** You can use your APS allowance in a cash ISA, investment (stocks & shares) ISA, innovative finance ISA or lifetime ISA or a combination of these with the same or different ISA providers. You're not restricted to using your APS allowance in the same type of ISA as your deceased partner held but each individual APS amount cannot be split, it must remain whole.

## Can I use my APS allowance with Sheffield Mutual?

**CP:** Yes, you can use your APS allowance with Sheffield Mutual if your deceased partner's ISA was held with us or with another ISA provider. You would need to complete the relevant APS application form and read our ISA Key Information Document (KID) and Terms & Conditions before you apply. The APS does not need to be used all at once, the surviving spouse / civil partner can make several contributions to make use of their APS.

## Need further assistance?

We would be delighted to guide you through the process of using or transferring your APS allowance to Sheffield Mutual. You can give me a personal call on **01226741000** or contact us at [enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com).

## When can I use my APS allowance?

**CP:** We understand that arranging your new APS allowance won't be at the forefront of your mind on the death of your spouse / civil partner but for subscriptions made in cash, the allowance will be available for three years after the date of death, or within 180 days of the completion of administration of the estate, if this is later.

## Sheffield Mutual Friendly Society

is an independent mutual organisation with no shareholders to satisfy. We offer a simple range of trusted savings, investment and protection plans – with a particular emphasis on tax-efficient savings and investment policies.

### Our products include:

- ✔ Tax Exempt Savings Plan
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- ✔ Regular Savings Plan
- ✔ Investment ISA
- ✔ Investment Junior ISA
- ✔ Investment Bond
- ✔ Income Bond
- ✔ Capital Plan
- ✔ Sheffield Protect - Whole of Life Plan

This factsheet is based on our current understanding of legislation. This sheet provides a broad summary but the information could change in the future. All reference to tax is based on our current understanding of tax legislation and practice which may change in the future. No advice or recommendation has been made by Sheffield Mutual and you should not make an investment decision based on the information within this factsheet. If you are unsure as to the suitability of a product you should seek advice from a suitably qualified financial adviser, which may incur a fee.

### Find out more today:



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Call our team **01226 741 000**

Calls may be monitored and recorded for your protection.  
Opening hours: 9am-5pm Mon-Fri



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Email us

[enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com)



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