



# A guide to the Additional Permitted Subscription (APS) Allowance

The Additional Permitted Subscription allowance was announced in 2014 and came into effect from April 2015. It is available to the surviving spouse or civil partner of a deceased ISA holder and means you are entitled to an additional allowance on top of your normal annual ISA allowance, equivalent to the value of your deceased partner's ISA(s).

## Additional Permitted Subscription

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

### What is an APS?

An additional permitted subscription is available to the surviving spouse or civil partner of an ISA investor who has passed away.

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

No, 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 allowance and in addition you could also use your own current tax year ISA allowance.



### Do I qualify for the APS?

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 and we can help you arrange the transfer(s).

### How can an APS be made?

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 your late spouse / civil partner'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.

### What is the value of my APS?

If your spouse or civil partner held an ISA with Sheffield Mutual, the policy will pay out after receipt of the required documentation. We add 1% to the value of the ISA at the date of death to determine the APS value. If your loved one held an ISA with another provider, the provider will confirm the APS value for you.

## Which type of ISA?

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?

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

## When can I use my APS allowance?

We understand that using your new APS allowance won't be at the forefront of your mind after losing your loved one. 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.

## Need further assistance?

We know this is a difficult time for you but we would be happy to guide you through the process of using or transferring your APS allowance to Sheffield Mutual. You can find out more, or ask a question by calling 01226 741 000, using our online chat or by emailing [enquiries@sheffieldmutual.com](mailto:enquiries@sheffieldmutual.com).

## About Sheffield Mutual

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.

## Find out more today



[www.sheffieldmutual.com](http://www.sheffieldmutual.com)



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



Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection



## Important to note:

This factsheet is based on our current understanding of legislation. All reference to tax is based on our current understanding of tax legislation and practice which may change in the future.

Capital at risk. During adverse investment conditions you may get back less than you invested.

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.

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