

# Bereavement Information Guide

This Bereavement Information Guide has been designed for those individuals handling the financial arrangements, following the death of an Aegon Asset Management (Aegon AM) investor.

## Glossary

**Open-Ended Investment Company (OEIC)** – A type of managed fund, the value of which is directly linked to the value of the fund's underlying investments

**General Investment Account (GIA)** – A type of account within which OEIC investments are held.

**Individual Savings Account (ISA)** – A tax efficient investment vehicle which allows individuals to hold cash, shares and unit trusts free from income tax, tax on dividends and capital gains tax

**Valuation** – The worth of an investment based on its current price

**Distribution** – Distributions represent a share in the net income of the fund and are awarded at set times of the year (monthly, quarterly, half-yearly or annually), dependent on the terms of the applicable fund

**Income shares** – A type of share where distributions are awarded as cash payments, which can either be set to pay out to the investor, or reinvested, where they purchase additional shares in the fund in question

**Accumulation shares** – A type of share where distributions are automatically reinvested at fund level and reflected in the value of the shares

**Personal Representative** – A person appointed to oversee an investor's estate after they die (also known as an Executor or Administrator)

**Beneficiary** – A person designated as the recipient of funds or other property under a Grant of Representation, will, etc

**Transferee** – A beneficiary and recipient of a deceased investor's shares, where they choose to retain the investment

## Guide to Aegon AM Portal

Link to the Aegon AM Portal - [www.aegonam.com/client-portal-individual](http://www.aegonam.com/client-portal-individual)

To create a Temporary Account - select the 'please contact us' link

To send a message - access through the Secure Messages menu link at the top of the screen, within your Temporary Account

To upload a document - access through the Documents menu link at the top of the screen, within your Temporary Account

## Step 1 - Inform us of the death

If you are the personal representative of the deceased and do not jointly-hold an investment with them then please register on the Aegon AM Portal, by creating a 'Temporary Account'. To register, you need only provide your name, email address and mobile phone number.

If you own a jointly held investment with the deceased then please log in to your account in the normal way.

Once you have either created a 'Temporary Account' or logged in to your jointly-held account, you will be able to notify us of the death via the 'Secure Message' functionality.

We also request that you upload the required documentation, via the 'Document Upload' functionality (we accept file format types PDF, JPG and PNG). The documents required are:

- The death certificate
- And, if the deceased's account is a sole account, a letter stating the deceased's full name, address, DOB and account number (if known), as well as your own name and address and relationship to the deceased

### **What happens after we have received the death certificate?**

We will continue to manage the investment as before, until the administration of the estate has been completed (see next steps below). The value of the shares held reflects the value of the funds underlying assets (e.g. stocks and shares). The value of these can go down as well as up and so will the value of the shares held in the fund.

### **If the Investor had an ISA and/or a Sole Account OEIC**

Upon notification:

- We will block all dealing and settlement until such time as we have received confirmation as to the Personal Representative of the deceased, along with all necessary documentation (see **Step 2** below).
- Where income shares are held, we will cease reinvesting/paying out and hold on to distributions until the Personal Representative decides what is to happen with the investment.
- Where accumulation shares are held, all distribution income will continue to be reinvested at fund level and be reflected in the share price.
- Any financial advisor's details held will be removed from the account.
- We will provide you with a valuation of the holding as at the investor's date of death, which shall be required to complete the administration of the estate.
- Any direct debits will be cancelled to prevent any further collections from the deceased investor's account.

### **Tax Benefits following the death of an ISA investor**

If the deceased died before 6 April 2018, the tax-free benefits associated with their ISA cease on the date of death.

If the deceased died on or after 6 April 2018, their ISA will become a 'continuing ISA' and retain its favourable tax status. It will keep this status until the earliest of:

- The completion of the administration of the estate
- The 3rd anniversary of the date of death plus one day
- The closure of the ISA due to all the funds being withdrawn

There will be no Income or Capital Gains Tax to pay up to that date, but ISA investments will form part of the deceased's estate for Inheritance Tax purposes.

### **If the Investor is a registered holder on a Joint Account OEIC**

For Joint holders, through the 'right of survivorship', the holding(s) will be transferred into the name(s) of the surviving holder(s) following receipt of a death certificate

Upon notification we will either:

- Where another account already exists which is in the name(s) of the surviving holder(s), transfer the shares into that account, or
- Create, and transfer the shares into, a new account in the name(s) of the surviving holder(s). In this scenario, we will provide confirmation of the new account number but the associated surviving holder(s)' User log in details for the portal will remain the same.

Once the holding(s) has/have been transferred to the surviving holder(s), any necessary changes to bank mandates for regular investments or income distribution payments can be updated within the Aegon AM Portal. Please note that Steps 2 and 3 do not apply to Joint holders.

## **Step 2 – Confirming who is responsible for the estate (for ISA and/or Sole Account OEIC only)**

We need to verify who has legal responsibility for the deceased investor's estate, who are known as the personal representative(s). To do this, we require the relevant evidence to be sent to us via the Aegon AM Portal.

Depending on the overall value of the deceased's estate, including their Aegon AM investment, we will either require a Grant of Representation or Small Estates Form:

- Grant of Representation, i.e. a Grant of Probate, Letter of Administration or Certificate of Confirmation (only applicable in Scotland). If an equivalent has been issued overseas, we require it to be resealed by the Probate Registry in the UK.
- A Small Estates Form can be used if the investment with Aegon AM is valued at £15,000 or under. This should be accompanied by a copy of the Will.

### **All documents should be certified**

#### **Who can certify a document?**

All legal documents must be certified by a professional person, who can be independently verified, from the below list:

- Solicitor
- FCA Regulated Individual
- Notary Public
- Chartered Accountant
- Local Councillor

Once the documents are available, a personal representative should create and then log in to a temporary account and share certified copies with us, via the 'Document Upload' functionality.

### **Verifying the identity of the Personal Representative(s)**

In order to comply with UK anti-money laundering legislation, we are required to verify the identity of the personal representative(s). To achieve this, we may request documentary evidence before the account of a deceased investor can be sold or transferred. Our aim is to carry out these checks electronically, however, if this is not possible, we will contact the personal representative(s) by Secure Message to ask that they provide evidence, by using 'Document Upload' functionality, in order to complete the verification process.

Once we have reviewed the documents and verified the personal representative(s), we will send confirmation that Step 3 can now be followed. We aim to reply within 5 business days.

## Step 3 - Distributing the Estate

Once we have reviewed and approved the documentation provided in Step 2, we can accept an instruction from the personal representative(s). There are two options available, as detailed below:

### Option 1 Transfer the investment holdings directly to the Beneficiary/ies

Each transferee will require an Aegon AM account, which can be opened online in the Aegon AM Portal. If a transferee does not already have a 'Temporary Account', they should create one via the 'please contact us' link. Once the 'Temporary Account' has been accessed, they should select the 'Convert Account' button in the top right-hand corner of the screen, select "GIA" as the account type and follow the account application process through to completion.

Once the account application process has been completed and the identity of a transferee has been verified, confirmation of account opening will be issued. Additional documentation may be requested during this verification process. We aim to complete the verification process and create an account within 5 business days.

The personal representative(s) should complete a 'Stock Transfer Form' (all named personal representatives must sign the form) and upload this using the 'Document Upload' functionality, within the Aegon AM Portal. Where the deceased's investment holdings are being split between different beneficiaries, who wish to register the holdings in their separate names, a separate 'Stock Transfer Form' should be completed for each beneficiary.

A 'Stock Transfer Form' can be found in the Aegon AM Portal section of our website, link above.

Once the transfer process is completed, a contract note shall be made available to each transferee as confirmation, with an associated notification sent by email.

Please note, if there are any held monies accrued from income distributions since the date of death, these will be paid to the transferee(s) upon completion of the stock transfer, to the bank account details they have provided for their account.

If there is a reason that the transferee is unable to set up an account within the Aegon AM Portal then please make contact via the Secure Message functionality, using the Temporary Account, and we will assess the situation and provide individual guidance.

### Option 2 Sell the investment

The personal representative(s) should complete the 'Redemption Form' (all named personal representatives must sign the form) and upload this using the 'Document Upload' functionality, within the Aegon AM Portal.

A 'Redemption Form' can be found in the Aegon AM Portal section of our website, link above.

Evidence of bank account ownership will be required prior to the proceeds of the sale deal being released. To evidence this we will require either a bank statement dated in the previous 3 months, which clearly shows the name of the account holder and account number, or a spoiled cheque.

In order to comply with UK anti-money laundering legislation, the proceeds of the sale can only be sent to a bank account in the name of one of the following:

- One of the personal representatives
- A solicitor
- "The executors of ('**deceased's name**') deceased"

The instruction to sell will be actioned at the next valuation point, and a contract note shall be made available to the personal representative as confirmation of the sale, with an associated notification sent by email.

Please note, if there are any held monies accrued from income distributions since the date of death, these will be paid to the same bank account and at the same time, but as separate payments for each distribution.

## Inheritance Tax Liabilities

We are unable to send investment proceeds for inheritance tax purposes directly to HM Revenue & Customs (HMRC). Please contact a financial adviser if you require guidance regarding this process.

## Additional Permitted Subscriptions (APS)

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

The deceased and the surviving spouse or civil partner must have been living together at the date of death and must not have been separated:

- under a court order
- under a deed of separation
- in circumstances where the marriage or civil partnership has broken down

Additional Permitted Subscription (APS) can be utilised even if the investor leaves their ISA funds to someone else; the spouse or civil partner still inherits the ISA allowance.

APS does not affect the spouse or civil partner's personal ISA allowance; they can use that in addition to any APS.

The spouse or civil partner have the following timeframes in which to use the APS allowance:

- An APS made of shares must be completed within 180 days of the distribution of the assets to the surviving spouse or civil partner
- An APS made in cash is available for three years after the date of death, or for up to 180 days after the administration of the estate is complete, whichever is later

Aegon AM will not accept APS payments but will comply with requests for a valuation of a deceased investor's ISA for the purpose of utilising the APS allowance with another ISA Manager. The spouse, civil partner or someone acting on their behalf may request this valuation by completing the 'APS Valuation Declaration' which can be found in the Aegon AM Portal section of our website, link above.

## Forms referenced within this document

**Redemption form** – For use when the personal representative(s) wish to sell the investment holding

**Stock Transfer form** – For use when the personal representative(s) wish to continue with the investment

**APS Valuation Declaration** – When the spouse or civil partner, or someone acting on their behalf, wishes to request a valuation for the purpose of utilising the APS allowance with another ISA Manager

## Helpful Links



Citizens Advice Bureau – [adviceguide.org.uk](https://adviceguide.org.uk)

The Money Advice Service – [moneyadviceservice.org.uk](https://moneyadviceservice.org.uk)

*Bereavement Advice Centre* – [bereavementadvice.org](https://bereavementadvice.org)

Government sites – [gov.uk](https://gov.uk) or [Scotland.gov.uk](https://Scotland.gov.uk)

Cruse Bereavement Care – [cruse.org.uk](https://cruse.org.uk)