M&G Platform

GUIDE

Bereavement

What to do when someone passes away

Over the course of this guide we will take you through the Claim process, to help you handle the financial arrangements after an M&G Platform client has passed away. This guide is here to support, rather than replace, our personal service to you.

If you are not the named executor/personal representative of this investment, or you are one of many, please ensure this information is passed to all relevant parties.



Here to support you

You don't need to make any decisions about the M&G Platform holdings until you are ready to, but this guide is designed to support you when you are. In addition, our Bereavement Team is available to answer any questions you have and to guide you through the process.

To speak to one of our Bereavement Team please call us on **0345 076 6140**.
Our lines are open 8:30am to 5:30pm Monday to Friday. When you call, you will first be connected to our general Customer Service team, who will then direct you to one of our specialist Bereavement Team.

Alternatively, write to us at the below address:

Bereavement Team
M&G Platform
Trimbridge House
Trim Street
Bath
BA1 1HB



Jargon buster

For a list of terms and definitions visit
mandgplatform.com/private-investors/jargon-buster





Contents

1 Notifying us of the Client's Passing 4

2 General Investment Account (GIA) and Individual Savings Account (ISA) 5

3 M&G Platform Pension Account (SIPP) 9

4 ID Requirements and Personal Information Use 12

5 Further Support 14



1 Notifying us of the Client's Passing

What to do first

The first step is to tell us that an M&G Platform client has passed away. You can do this by contacting us via the details on page 2. We ask you to call or contact us by post because we need to be able to verify your identity before we can correspond with you via email.

We will then take some details from you regarding the client.

We will also collect personal information from you that is necessary for us to provide you with information about the account, and the service that you require during this difficult time.

Following being informed of the client's passing, we will attempt to verify this on-line, in order to confirm that the death has been registered with the relevant authorities. This check will be undertaken by a reputable referencing agency which will retain a record of that check. This information may be used by other financial institutions for fraud preventative measures. Details of the service we use are available upon request by using the contact details on the back page of this guide.

If we are unable to confirm the client's passing, we will need to see the original death certificate.

If the original death certificate is required, please provide this to the address on page 2, along with a covering letter confirming the following:

- Client's full name
- Client's M&G Platform client/account number
- Name and address for the individual contacting us

If the original death certificate has been provided, this will be returned to the sender by recorded delivery.

After we have confirmed the client's passing either online or through the original death certificate we will:

- Update our client records to acknowledge the client has passed away
- Update the client's account to prevent any withdrawals or correspondence from being issued
- Provide our Death Claim Pack, outlining our requirements

A more detailed breakdown of what happens with each account is explained in the following sections.

What to do if the client had a joint account

If the client held a General Investment Account (GIA) in joint names, the account will be transferred into a new GIA in the name of the surviving account holder, once we receive notification of the client's passing.

The purchase value of the assets (referred to as book costs) will be moved to the new GIA. Half of the assets will be updated to reflect their value on the date of death, while the other half will keep their original value.

This is in line with HMRC rules and helps ensure any future Capital Gains Tax (CGT) is calculated correctly. CGT is a tax on the profit made when you sell or dispose of an asset that has increased in value.

What to do if the client held a Third Party Product Account

A Third Party Product Account (TPPA) allows the client's funds to be invested in a product provided by a third party (e.g. an offshore bond or pension).

If the client has an account managed by a third party on the platform, we will need to see the death certificate to update our system. However, we can only release the funds based on the third party's instructions. We recommend contacting the third party directly to find out what they require.

2 General Investment Account (GIA) and Individual Savings Account (ISA)

Distributing assets and closing the accounts

The next step is to distribute the assets and close down the deceased client's GIA and ISA.

A GIA allows the client to pay in flexibly without any limits and to access their money at any time. Investments in this account will usually be subject to UK tax depending on the tax status of the recipient.

The M&G Platform Stocks & Shares ISA allows the client to invest in stocks and shares, up to the subscription limit set by HMRC. No tax is payable on any investment income or gains within the ISA.

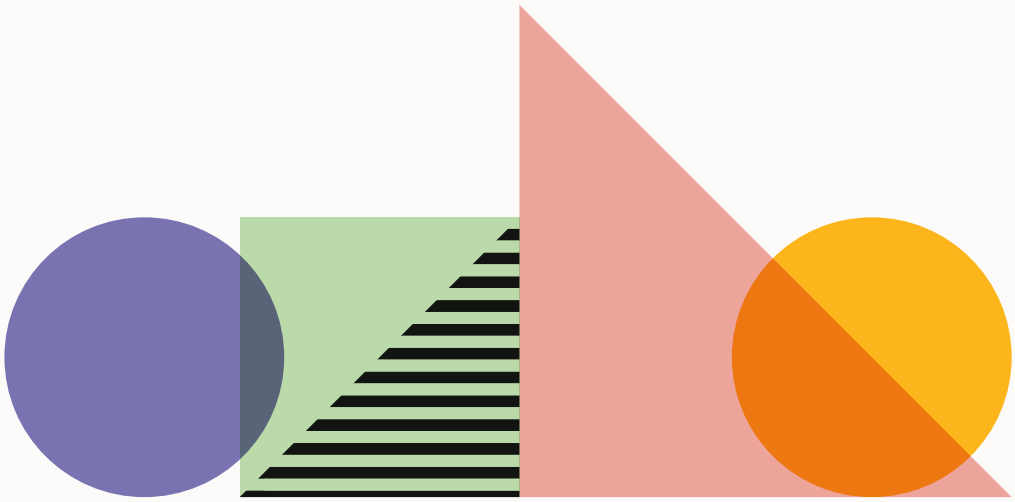
Both the GIA and ISA are part of the client's estate, so we need to get instructions from the named executors (the people in charge of the estate) on how to distribute these accounts.

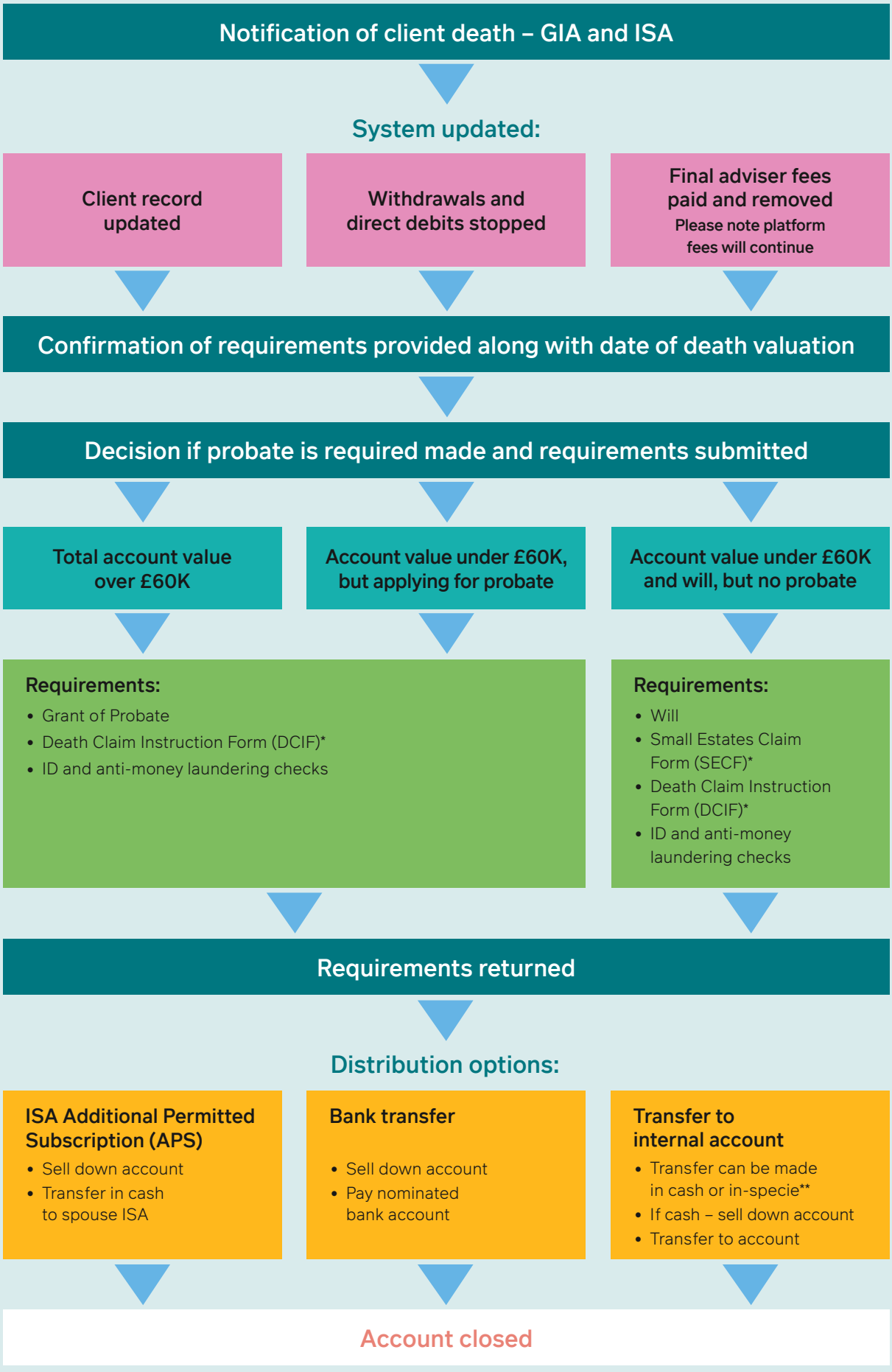
The executors are confirmed through one of the following documents, which can be obtained via the Probate Office in the UK or the Sheriff Court in Scotland:

- Grant of Probate
- Letters of Administration
- Certificate of Confirmation (Scotland)
- Or equivalent documents issued in other countries, which have been resealed in England

We also have a Small Estate Claim process for situations where probate is not being obtained. The requirements for us to consider this are outlined on the next page.

Please note: the Small Estate Claim process includes distributing the estate as instructed in the deceased person's will, where the amount payable from M&G Platform does not exceed £60,000.





*Forms will be Provided by the M&G Platform Bereavement Team.
**An in-specie transfer means the transfer of an investment in asset form, rather than selling it and transferring in cash.
For queries regarding tax, please speak to a Financial Adviser or accountant as we are not able to offer tax advice.

Useful Information

→ M&G Platform and IFDL

The M&G Platform is provided by Investment Funds Direct Limited (IFDL). IFDL is responsible for holding client's cash and investments on the Platform and acting on instructions from the client or their Financial Adviser.

You might see reference to both M&G Platform and IFDL throughout the bereavement process.

ISA Additional Permitted Subscriptions (APS)

→ What is an APS?

An APS gives the spouse or civil partner of an individual who has passed away an extra tax-free ISA allowance. This is based on the balance of the deceased client's ISA at a specified point in time. This enables them to invest more money in their own ISA without affecting their annual ISA subscription limit.

The APS is not dependent on inheriting the actual money or investment in the ISA. That follows the normal estate process. Instead, it involves inheriting an allowance that is equal to the balance of the deceased's ISA at the specified point in time.

If the deceased held multiple ISAs with different providers, there will be a separate APS allowance with each ISA provider.

Please note, the APS allowance does not apply to Junior ISAs or Child Trust Funds.

→ What is the APS Allowance?

When a client passes away, the allowance that the surviving spouse or civil partner is entitled to is either the value of the ISA as at the date of death, or the date the ISA is closed, whichever is higher.

The APS allowance does not affect the administration of the deceased's estate.

Please note, the APS allowance is an additional allowance independent of the normal annual ISA allowance.

→ What is the difference between an 'Allowance' and a 'Subscription'?

The 'Allowance' refers to the amount the spouse or civil partner inherits when a client passes away. The 'Subscription' is the process by which the spouse or civil partner uses the available allowance to contribute to their own ISA.

→ Who is eligible for an APS Allowance?

Anyone whose spouse or civil partner died on or after the 3 December 2014, they must have been living at the same address 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.

The APS allowance cannot be transferred to another person; it is solely for the use of the spouse or civil partner of the deceased.

→ How long does an APS last?

The APS allowance is available for three years after the date of death or for up to 180 days after the administration of the estate is complete (i.e., when the personal representatives have distributed the assets of the estate), whichever is later. This timeframe is known as the 'permitted period'.

→ Can the APS be transferred to another provider?

Yes. The allowance is held by the ISA provider and subject to the new ISA provider accepting the allowance, it can be transferred.

The new ISA provider should be approached to initiate the transfer of the allowance and once initiated, ISA regulations require that this takes place within 60 days.

The APS allowance can only be transferred once and only where no subscriptions have been made under the APS allowance.

Additionally, APS allowances can be held with more than one ISA provider if the deceased held ISAs with multiple providers.

→ Can you transfer the deceased's ISA to another provider's ISA, for the spouse or civil partner?

No, you cannot directly transfer the deceased's ISA to another provider to process a subscription if the allowance has been transferred.

The ISA must be distributed according to the instructions from the executors, and the subscription to the new provider must be processed by the spouse or civil partner.

Tax

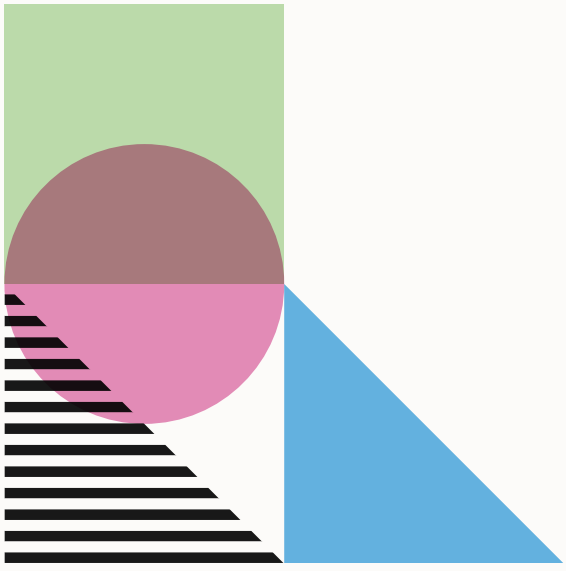
Inheritance tax

Inheritance tax must be paid before a Grant of Representation is issued. A Grant of Representation is a legal document issued by a court that gives an individual (or individuals) the authority to manage and distribute the estate of someone who has died.

We can send proceeds directly to HMRC should an inheritance tax bill require paying.

If funds are required for this purpose, they can be released from either a GIA or an ISA and we will need to see the following documentation:

- Letter from Solicitors acting on behalf of the estate, countersigned by all named executors
- Certified copy of the will
- HMRC forms IHT400 or IHT421 confirming the probate liability
- IHT423 with HMRC bank details and the appropriate payment reference
- Confirmation of the assets and units to sell in order to raise the required cash value (if not already available)



Selling the account

Selling the account before disbursement

Please note, disbursement is the act of paying out money, usually from a fund or account, for a specific purpose. When we are notified of a client's passing, any assets or funds held in the accounts will remain invested and their values will continue to fluctuate with the market.

Before all of our requirements are received, we can only disburse cash from the account to cover an inheritance tax bill.

If you wish to sell the assets held in the account and take it out of the market before disbursement, we can proceed with the sale once we have received the following documentation:

- Letter of instruction, signed by all named executors of the will, confirming the account is to be sold and acknowledging that it cannot be disbursed until all requirements are met
- Original or certified copy of the will
- Certified ID for all named executors on the will
- Certified proof of address of the named executors on the will (up to 3 months old)

ISA

Continuing ISA

Following the HMRC change of ISA rules on 6th April 2018, the ISA is classed as a 'continuing ISA' and will continue to benefit from the tax advantages.

When a client passes away on or after 6th April 2018, any ISA held will be designated a 'continuing account of a deceased client'.

This account will remain classified as such until the earlier of:

- The completion of the administration of the deceased's estate
- The closure of the account
- The third anniversary of the death of the account holder

There is no requirement for an ISA manager to check with the executors of a deceased client regarding the completion of the estate administration.

If the ISA surpasses three years and one day from the date of the client's passing and has not been paid out, all assets and cash will be transferred into a GIA in the deceased's name, and the ISA will be closed, as it can no longer be classified as a 'continuing ISA'.

3 M&G Platform Pension Account (SIPP)

What is a SIPP?

The M&G Platform Pension Account is a registered pension scheme known as a Self-Invested Personal Pension (SIPP).

A SIPP is a type of pension that lets the client choose their own investments, typically from a much wider range than other pensions. When the owner of the SIPP passes away, the SIPP is passed to their beneficiaries.

Importantly, the SIPP is not considered part of the deceased's estate. Therefore, it is the responsibility of the trustees to determine the appropriate beneficiary (or beneficiaries) for the SIPP.

Who are the trustees of the SIPP?

All clients' assets are held in the scheme but are specifically set up for each member's benefit. Most SIPPs operate under a Master Trust, where the SIPP provider (i.e. M&G Platform) is the trustee and operator of the SIPP held.

As the trustee of the SIPP we will:

- Verify any necessary documents
- Confirm the beneficiary (or beneficiaries)
- Facilitate the transfer of the SIPP

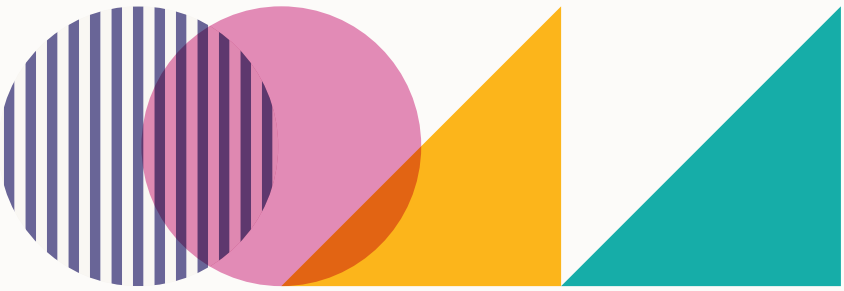
What is an Expression of Wish?

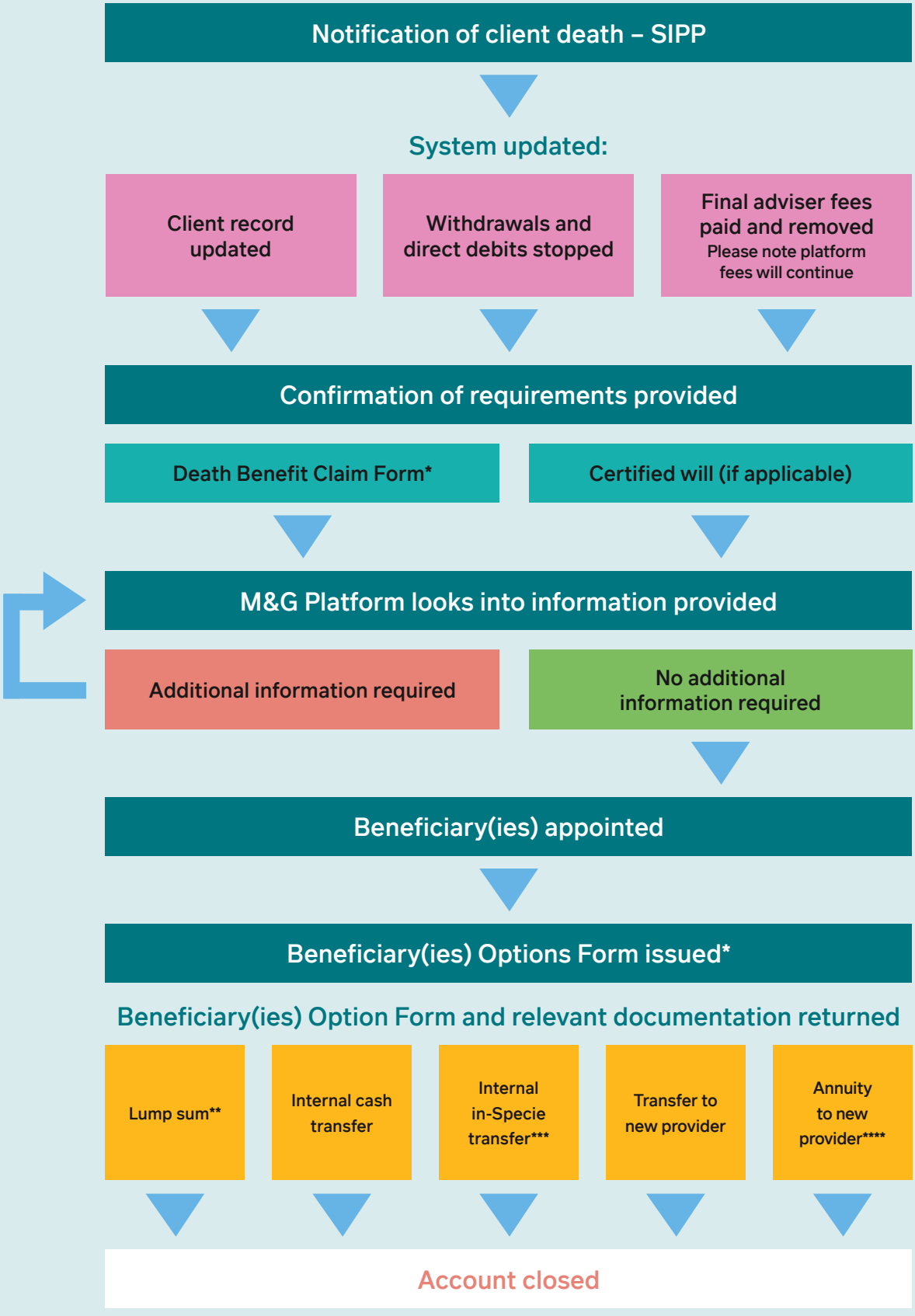
The Expression of Wish is a form which details who the client would like to receive their pension savings when they pass away. We refer to the individuals listed in this form as beneficiaries.

In the absence of an Expression of Wish on the SIPP, we will make every effort to determine who should receive the benefits after the client's passing by investigating potential beneficiaries.

As trustees of the SIPP, M&G Platform will conduct due diligence in the appointment of the beneficiaries. We will consider the personal circumstances at the time of the client's passing, along with any individuals listed on the account under an Expression of Wish.

Once the appropriate beneficiary(ies) have been appointed, a form will be provided for them confirm how they wish to receive the funds.





*Forms will be provided by the M&G Platform Bereavement Team.
**Lump Sums are single, one-time payments of money.
***An in-specie transfer means the transfer of an investment in asset form, rather than selling it and transferring in cash.
****An Annuity guarantees to provide you with a regular income for the rest of your life, in return for you paying over a lump sum from your pension fund.
For queries regarding tax, please speak to a Financial Adviser or accountant as we are not able to offer tax advice.

Useful Information

→ M&G Platform and IFDL

M&G Platform is provided by Investment Funds Direct Limited (IFDL). IFDL is responsible for holding client's cash and investments on the Platform and acting on instructions from the client or their Financial Adviser.

You might see reference to both M&G Platform and IFDL throughout the bereavement process.

→ Tax treatment of benefits

Please note: should benefits be paid after 2 years post the notification of death, these will be subject to tax.

If the deceased died under age 75	If the benefits are paid within two years of us receiving the notification of death: • Lump sums are paid tax free; and • Funds designated to beneficiary drawdown are paid as tax free income Any benefits paid are tested against the deceased's Lump Sum and Death Benefit Allowance (LSDBA). It is the responsibility of the deceased's personal representatives to determine if there is sufficient LSDBA available. Any excess over the LSDBA will be taxed by HMRC at the recipient's marginal rate of income tax.
If the deceased died at or over age 75	• Lump sums paid to individuals are subject to the recipient's marginal rate of income tax • Lump sums paid to trusts or companies are taxed at a rate of 45% • Funds designated for beneficiary drawdown are treated as taxable income and are subject to the recipient's marginal rate of income tax **Please note that tax will be deducted using the default tax code.**

Lump Sum and Death Benefit Allowance (LSDBA)

The LSDBA is set by the Government and limits the amount of lump sum death benefits and serious ill-health lump sums that can be paid without tax. The value of these allowances is determined by the Government when you begin receiving your pension benefits. Any amount taken above this limit will be taxed at your marginal rate of income tax. Your Financial Adviser can provide you with the current allowances, or you can find them at gov.uk.

4 ID Requirements and Personal Information Use

→ Identity checks

CallValidate Checks (checking an individual's identity) are run against the named executors and beneficiaries, however, we do also request the following should these checks fail:

- Certified ID document
- Certified proof of address
- Certified bank statement or certified voided cheque

Payments to solicitors or accountants cannot be verified online and therefore one of the following is required:

- Certified bank statement (this can be redacted)
- Certified voided cheque
- Certified paying in slip

→ What forms of ID and proof of address can I use?

Please note, all copies must be certified by a Financial Adviser or other professional person. For further information on who can certify documents please visit gov.uk/certifying-a-document

For family members, please note that we can only accept documents via postal mail. Unfortunately, we cannot accept documents sent by email. However, Financial Advisers and solicitors are permitted to email certified copies to us.

If you're unable to supply documents that meet the below requirements, please contact us the details on the back page of this guide.

Identity

- **Passport** – original or certified copy of a valid UK or overseas passport
- **Driving licence** – original or certified copy of a valid UK or EEA/EU photocard driving licence
- **Department of Work and Pensions (DWP) and other benefits-related documents** – original or certified copy of a recent notification letter from a benefits agency confirming your right to benefits, or letter confirming your right to a state pension
- **His Majesty's Revenue and Customs (HMRC) notifications** – original or certified copy of a recent notification letter for Child Tax Credit, Disabled Person's Tax Credit, Working Family Tax Credit or your Tax Code
- **Residence permits and identification cards** – original or certified copy of a Home Office issued UK residence card or biometric residence permit, EU national identity card, or Northern Ireland electoral identity card
- **Firearm or shotgun certificates** – original or certified copy of a firearm or shotgun certificate issued by the police

Bank account

- **Bank statements** – original or certified copy of a statement from your bank or building society dated within the last three months
- **Voided cheque** – original or certified copy of a voided cheque

Address

These items must show your current address:

- **Driving licence** – original or certified copy of a valid UK or EEA/EU photocard driving licence
- **Local authority documents** – original or certified copy of a council tax statement or council tenancy agreement, both valid for the current tax year
- **Utility bills** – original or certified copy of a utility bill/ statement dated within the last three months for either gas, electricity, water, landline or TV licence services. Mobile phone bills are not accepted
- **Financial statements** – original or certified copy of a bank, credit card, building society or mortgage statement dated within the last three months. Online statements can only be accepted if they are certified by the issuer as a true copy, if they agree to do so
- **Department of Work and Pensions (DWP) and other benefits-related documents** – original or certified copy of a recent notification letter from a benefits agency confirming your right to benefits, or letter confirming your right to a state pension
- **His Majesty's Revenue and Customs (HMRC) documents** – original or certified copy of any recent HMRC correspondence addressed to you at the stated address
- **Signed letter from an solicitor** – original or certified copy of a solicitor's letter dated within the last three months, which must confirm your house purchase or land registry confirmation

- Your date of birth must be shown on one of the documents you provide to verify your identity or address
- We need to see two separate documents to verify your identity and address, you cannot use the same document to cover both
- You may use the same bank statement to verify your address and bank account details
- There may be exceptions if you live in residential care, please contact us using the details on the back page of this guide to discuss your options

Anti money laundering checks

Where required, we will undertake electronic anti-money laundering checks on the personal information you have provided. This check will be undertaken by a reputable referencing agency which will retain a record of that check. This information may be used by other financial institutions for fraud preventative measures. Details of the service we use are available upon request.

How we will use your information

Personal information

We secure personal information by using strong data protection measures, encryption technology and adhering to relevant privacy regulations.

You can find our Privacy Policies on our website:
mandgplatform.com/private-investors/footer-private/privacy-policy.



5 Further Support

Pension scams

Savers lost millions of pounds to Pension Scams last year. Never respond to an offer given by a cold caller and make sure that you know what your options are. If you need more help spotting a scam here are some useful pages to point you in the right direction:

- **How to spot a scam:** some useful tips on what to looks out for and how to protect yourself – mandgplatform.com/private-investors/how-to-spot-an-investment-scam
- **ScamSmart:** the Financial Conduct Authority (FCA) has produced useful information to help you spot potential scams – fca.org.uk/scamsmart
- **MoneyHelper's Guide to Scams:** more impartial guidance backed by government and Money & Pension Service – moneyhelper.org.uk/en/money-troubles/scams/a-beginners-guide-to-scams

As part of M&G plc we can also share with you the contact details for their fraud team. If you need to speak with someone you can trust you can contact them by email at M&GFraud@mandg.com or phone on 0207 004 8888, Monday to Friday 9am to 5pm.

Money Helper

We would always recommend that you receive advice from a Financial Adviser or guidance from MoneyHelper, a government service, which offers free impartial financial guidance.

If MoneyHelper is a service that you feel you would benefit from, you can call free on 0800 138 7777. Opening hours are Monday to Friday, 8am to 6pm. For more information please visit their website on moneyhelper.org.uk/en.

If you previously spoke to Pension Wise but this was over 12 months ago, or your circumstances have changed, we strongly recommend you arrange another free telephone appointment with them.

Support for yourself

When you lose a loved one, it's natural to experience a wide range of emotions. There's no right or wrong way to feel during this difficult time.

If you need more support, or just somebody to talk to, below are some helpful links to charities and organisations that are here to help.

- **Cruse Bereavement Care** – visit cruse.org.uk or call on 0808 808 1677
- **Bereavement Care** – visit bereavementcare.uk or call on 08081 691 922
- **NHS Bereavement Support** – visit nhs.uk/mental-health/advice-for-life-situations-and-events/bereavement
- **M&G Platform Additional Support** – visit mandgplatform.com/private-investors/support-for-you

M&G Platform

Contact us

0345 076 6140

Our lines are open 8:30am to 5:30pm Monday to Friday.
Telephone calls may be recorded for training and security purposes.

You will be asked security questions about the account, so please have information to hand. If you are unable to pass security, we will be unable to assist over the phone.

Claims Department, M&G Platform, Trimbridge House, Trim Street, Bath BA1 1HB

platformsupport@mandg.com

mandgplatform.com

© Copyright Notice

The M&G Platform is provided by Investment Funds Direct Limited, registered in England and Wales No.1610781. Registered office: 10 Fenchurch Avenue, London EC3M 5AG. Authorised and regulated by the Financial Conduct Authority No. 114432.

Investment Funds Direct Limited is a subsidiary of M&G plc, incorporated and registered in England and Wales. Registered office: 10 Fenchurch Avenue, London EC3M 5AG. Registered number 11444019. M&G plc is a holding company, some of whose subsidiaries are authorised and regulated, as applicable, by the Prudential Regulation Authority and the Financial Conduct Authority.