

# 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 a Royal London 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 Royal London 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 600 7788. Our lines are open between 8am-6pm 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  
Royal London  
Trimbridge House  
Trim Street  
Bath BA1 1HB

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# 1 NOTIFYING US OF THE CLIENT'S PASSING

## What to do first

The first step is to tell us that a Royal London client has passed away. You can do this by contacting us using 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 by email.

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

We'll also take some personal information from you so we can share information about the account, and provide you with the service and support you need during this difficult time.

Once we've been informed of the client's passing we'll try to verify this online to confirm 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're unable to confirm the death online we'll need to see the original death certificate.

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

- Client's full name
- Client's Royal London client/account number
- Name and address for the individual contacting us

If the original death certificate has been provided, we will return it to you by recorded delivery.

After we've 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

We'll explain the next steps in more detail over the next sections. If the client had an ISA please refer to section 3. If they held a Retirement Account go straight to section 2.

## Royal London and IFDL

The Royal London ISA and Retirement Account are provided by Investment Funds Direct Limited (IFDL). IFDL is responsible for managing investments, and keeping the client's money and investments safe.

Royal London was responsible for selling the products and provides ongoing customer service and support.

You might see reference to both Royal London and IFDL throughout the bereavement process.

## 2 ROYAL LONDON RETIREMENT ACCOUNT

### What is the Retirement Account?

The Retirement Account is a personal pension, provided under a trust based registered pension scheme. When the owner of a Retirement Account dies any value remaining in their account is used to pay death benefits.

Benefits can be paid from the Retirement Account as either lump sums or pension income payments.

Importantly, the Retirement Account 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 Retirement Account. The trustees will take into account any known wishes of the deceased client. But, ultimately the trustee makes the decision of how benefits are paid and to who.

### How do the trustees work?

The trustee owns the cash and Investment within the pension scheme, holding them for the owners' benefit under the scheme rules. The scheme administrator is IFDL.

#### **The trustee of the Retirement Account will:**

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

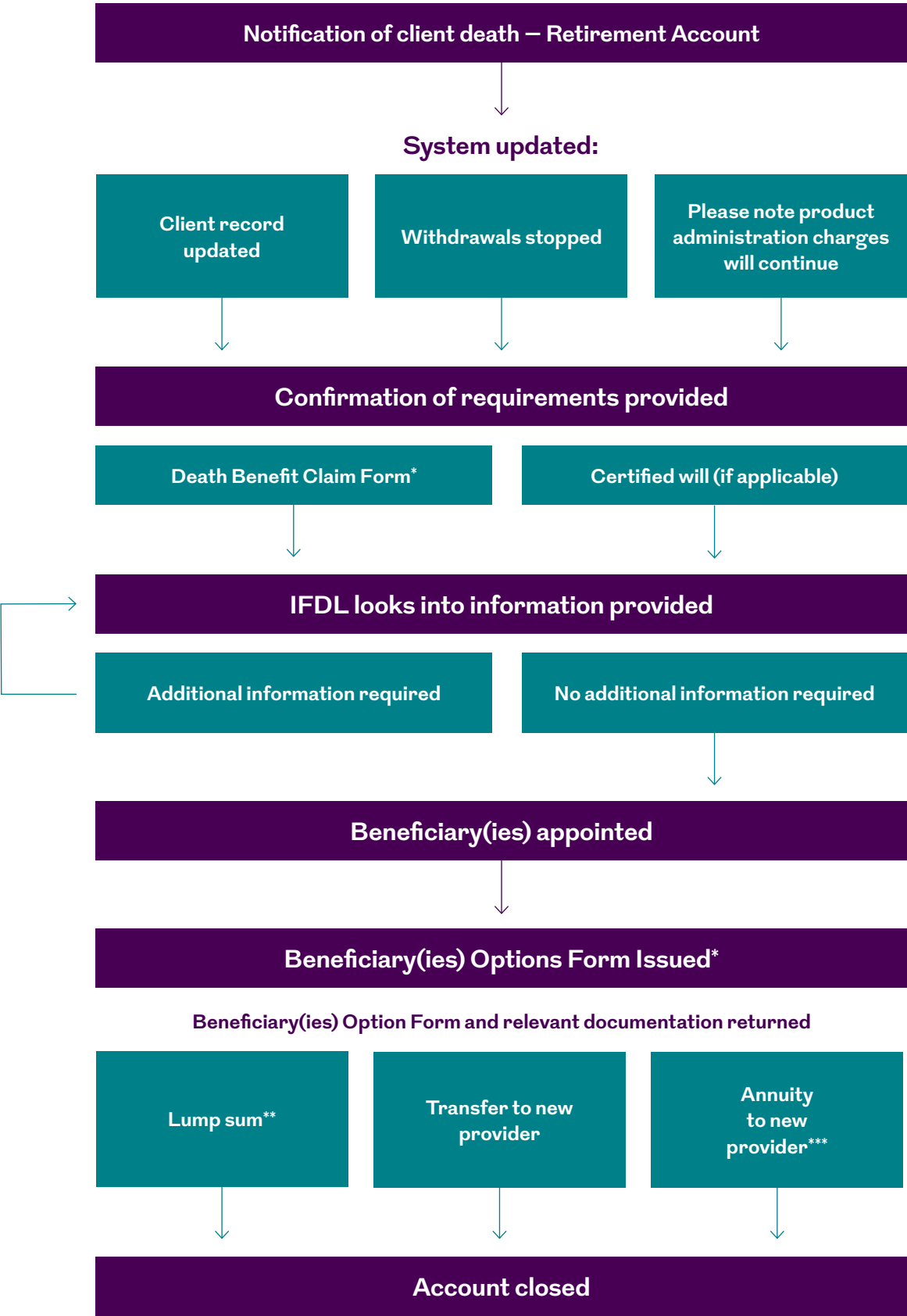
### What is an Expression of Wish?

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, trusts and charities listed in this form as beneficiaries.

If the client did not complete an Expression of Wish for their Retirement Account, 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 Retirement Account, IFDL 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 Royal London Bereavement Team.

\*\*Lump Sums are single, one-time payments of money.

\*\*\*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

Tax treatment of benefits

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

<b>If the deceased died under age 75</b>	<p>If the benefits are paid within two years of us receiving the notification of death:</p> <ul style="list-style-type: none"><li>• Lump sums are paid tax free; and</li><li>• Funds designated to beneficiary drawdown are paid as tax free income</li></ul> <p>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.</p> <p>Any excess over the LSDBA will be taxed by HMRC at the recipient’s marginal rate of income tax.</p>
<b>If the deceased died at or over age 75</b>	<ul style="list-style-type: none"><li>• Lump sums paid to individuals are subject to the recipient’s marginal rate of income tax</li><li>• Lump sums paid to trusts or companies are taxed at a rate of 45%</li><li>• Funds designated for beneficiary drawdown are treated as taxable income and are subject to the recipient’s marginal rate of income tax</li></ul> <p><b>Please note that tax will be deducted using the default tax code.</b></p>

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. A Financial Adviser can provide you with the current allowances, or you can find them at [gov.uk](https://www.gov.uk).

### 3 INVESTMENT 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 ISA.

The Royal London Investment ISA allows the client to invest in a choice of 3 Royal London investment funds, up to the subscription limit set by HMRC. No tax is payable on any investment income or gains within the ISA.

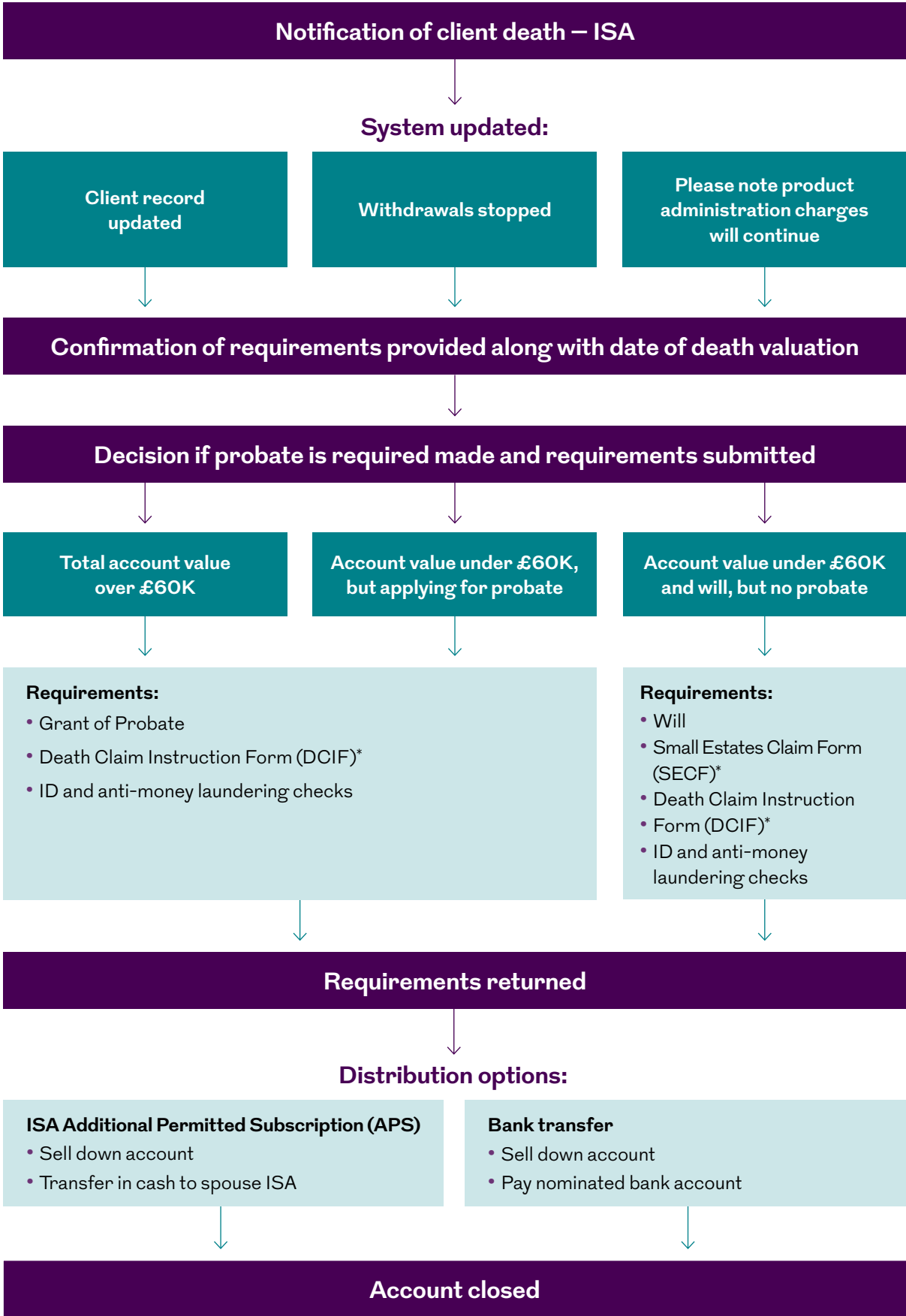
The ISA is part of the client's estate, so we need to get instructions from the named executors (the people in charge of the estate) on how to distribute the account.

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. This allows us to distribute the client's assets as instructed in their will, providing the account value is under £60,000.

The requirements for this process are outlined on the next page.



\*Forms will be provided by the Royal London Bereavement Team.  
For queries regarding tax, please speak to a Financial Adviser or accountant as we are not able to offer tax advice.



## Useful Information

### ISA Additional Permitted Subscriptions (APS)

#### What is an APS?

An APS allows the spouse or civil partner of an individual who has passed to add additional money to their ISA tax-free. The additional subscription amount (known as the allowance) is equal to the value of the deceased client's ISA at a specific point in time. This means the surviving spouse or civil partner can invest more money in their own ISA on top of annual ISA subscription limits.

The APS is not dependent on inheriting the actual money or investments held in an ISA. That follows the normal estate process. Instead, the surviving spouse or civil partner inherits an allowance equal to the value of the deceased's ISA at the specified point in time.

#### What is the APS Allowance?

When a client passes away, the allowance that their 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.

If the deceased held multiple ISAs with different providers, there will be a separate APS allowance with each ISA provider. The APS allowance does not affect the administration of the deceased's estate.

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

The 'Allowance' refers to the amount the spouse or civil partner of a deceased client can pay into their ISA, in addition to their annual subscription limit.

The 'Subscription' is the process by which the spouse or civil partner uses the available allowance to pay in 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.

When the client passed away they must have been living with their spouse or civil partner 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.

If the spouse or civil partner of the deceased client wants to use their allowance to pay into an ISA from a different provider, the new ISA provider should be contacted to request the transfer of the allowance from us. Once the process has started, ISA regulations require the transfer to take place within 60 days.

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

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

No. When the APS allowance has been transferred we cannot transfer the deceased's ISA to fulfill a subscription.

The ISA must be distributed according to instructions from the executors and any subscriptions to the new provider must be made directly from 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 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

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.

Until we receive all our requirements to fully disburse the account, we can only disburse cash 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

Any ISAs belonging to clients who passed away on or after 6 April 2018 are classed as a 'continuing ISA'. This means they will continue to benefit from ISA tax advantages.

Once we have verified the death of the client we will designate their ISA as a 'continuing account of a deceased client'.

This status and associated tax advantages will remain 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

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

## 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 professional person, such as a solicitor or financial adviser. For further information on who can certify documents please visit [gov.uk/certifying-a-document](https://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.

If you're unable to supply documents that meet the below requirements, please contact us using 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
- **HMRC** – 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
- **HMRC** – 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 the Privacy Policy online at [ifdl.info/PrivacyPolicy](https://ifdl.info/PrivacyPolicy).

## 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 look out for and how to protect yourself – [mandg.com/wealth/platform/private-investors/how-to-spot-an-investment-scam](https://www.mandg.com/wealth/platform/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](https://www.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](https://moneyhelper.org.uk/en/money-troubles/scams/a-beginners-guide-to-scams)



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](https://moneyhelper.org.uk/en).

If you previously spoke to MoneyHelper 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](https://www.cruse.org.uk) or call on 0808 808 1677
- **Bereavement Care** – visit [bereavementcare.uk](https://www.bereavementcare.uk) or call on 08081 691 922
- **NHS Bereavement Support** – visit [nhs.uk/mental-health/advice-for-life-situations-and-events/bereavement](https://www.nhs.uk/mental-health/advice-for-life-situations-and-events/bereavement)

**If you would like a copy of this document in an alternative format such as large print, braille or audio, please call Royal London on 0345 600 7788.**



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