

FOR INVESTMENT PROFESSIONALS ONLY

Client who has inherited a spouse's ISA through APS allowance

Case Study

Diane recently became a widow after her husband John lost a long battle with cancer. John was always a keen investor and he was particularly active regarding his and Diane's ISAs and ensured to utilise their full annual allowances. This amounted to two sizable investments. Diane worries that John's ISA will lose its tax status and that she will have to spend the next number of years adding it to her own. She is also worried about the inheritance tax bill that her beneficiaries will incur at her death.

FACT!

An ISA allows an individual to save a specific annual amount free from income tax and CGT on growth. A lesser known benefit of an ISA is that it is transferable in its entirety tax-free to a spouse on death. This is referred to as an Additional Permitted Subscription (APS).

Solution

Diane was relieved to hear from her financial adviser that the APS allowance allows her to inherit her late husband's ISA into her own ISA in its entirety tax-free. Her financial adviser explained further that if she was to invest the funds into AIM stocks such as The Fundamental Asset AIM IHT ISA portfolio then this would benefit from 100% relief from inheritance tax after being held for two years.



The Importance of IHT Planning



Contact:



Jonathan Bramall
 Business Development Manager
 01923 713 894
jbramall@fundamentalasset.com

IMPORTANT INFORMATION

Issued by Fundamental Asset Management Limited. Fundamental Asset Management Ltd is Authorised and Regulated by the Financial Conduct Authority. This is not an offer to sell or a solicitation of an offer to purchase shares. You should not invest in our AIM IHT portfolio service unless you have read our Terms and Conditions, are aware of the risks involved, are prepared to hold for the long term and can risk making a loss. Smaller quoted companies can be subject to certain specific risks not associated with larger, more mature companies. The information and opinions contained in this document are for background purposes only and do not purport to be full or complete. Past performance is not necessarily a guide to future performance as the price of shares can fall as well as rise and you may not get back all the money you invested. The extent of the tax benefits available will depend on the qualifying conditions and investors should seek professional advice before investing. No reliance may be placed for any purpose on the information or opinions contained in this document of their accuracy or completeness. If you have any doubt whether this product is suitable for you and you wish to obtain personal advice, please contact an Independent Financial Adviser.