



Bereavement Services

What to do when someone dies

KILLIK & Co

> Bereavement Services Team: _____



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Adviser details:

Name: _____

Tel: _____

Email: _____

Address: _____

N.B. These are the individual advisers with whom the deceased had a relationship during their lifetime.

We are here to help

We understand that it can be a difficult time for anybody who has recently lost a family member or friend and that dealing with their financial affairs can be overwhelming. We have tried to make the process as easy as possible and are here to help guide you through this process if you need assistance.

You might have little or no knowledge about Killik & Co so may not understand the options that are available to you and/or to the beneficiaries of the deceased's estate. We hope that this guide will help you and below is a list of contacts who can provide further information should you need it.

As you read through this guide, you will note that we have a range of specialist services that you (or your Adviser) might find relevant at this time.

What happens next?

There are normally three steps that follow a client dying.

1. Notification of death and valuation of assets
2. Sending the Grant of Representation
3. Distributing the assets from the account(s)

> Step 1: Notification of Death

When you tell us that a client has died, you will need to provide us with a death certificate, this may be sent via post or by email. Once this has been received, we will update the account to ensure that no further communications are addressed to the deceased. The account will be temporarily restricted and if the deceased was previously receiving regular payments from the account these will be stopped. Restrictions will remain on the account until the grant of representation has been received. *(This is explained in step 2).*

1.0 DEATH CERTIFICATES:

If the final death certificate has not yet been produced, please send us the interim death certificate – if you have one. This just confirms that someone has died but doesn't contain as much information. We can act upon receipt of the interim death certificate and also upon receipt of a death certificate issued abroad.

> Step 1: Notification of Death continued

1.1 JOINT ACCOUNTS:

When investments are held in joint names, there are several reasons why the account should be reviewed when one of the account holders dies. It could be that proceeds and/or income were regularly paid to a bank account that is now frozen; the assets contained within the account may no longer be suitable for the survivor's needs or circumstances; the deceased account holder might have had more experience with investing than the survivor; or if the survivor already has a sole name account, this may need to be amalgamated.

We will always request that the Investment Manager makes contact with any surviving account holders to talk through their options. We realise that it might be a difficult time for you though so please do let us know if you would rather have the conversation at a more suitable time.

All assets previously held in joint names will be moved into an account in the sole name of the surviving account holder; and until the Investment Manager has been able to establish the suitability of the account, this will be put on hold.

In rare instances, an account might have been held as tenants in common. Where this is the case, the account will be frozen until the grant of representation has been received.



1.2 VALUATION OF ASSETS:

Once we have been notified that a client has died, we will provide a valuation of the assets to the person who has provided us with the death certificate. If there is another family member or a third party; such as a solicitor that you would like us to correspond with instead, you can provide us with their details.

The 'standard' valuation provided will contain details of the account(s) held by the deceased and a list of the assets contained within the account(s). The values shown will be based on the closing prices on the date of death.

> Step 1: Notification of Death continued

1.3 PROBATE VALUATIONS:

You may require a more formal probate valuation, particularly if the deceased's estate is likely to be assessable to inheritance tax (IHT). This type of valuation can be complex and time consuming. We can arrange for a probate valuation to be produced by our third party provider upon request.

These valuations are designed to conform to HM Revenue and Customs' requirements and are available for over 6 million UK and foreign listed securities and unit trusts. They also include undistributed dividend/interest payments and identify all assets held on the Alternative Investment Market (AIM)*.

The cost per asset to be valued is £10 + VAT (with no minimum charge).

If the deceased held assets outside their Killik & Co accounts, we can provide probate valuations in the same way, although we are unable to verify the holdings with the registrar/fund manager. (If you do not have a record of the SEDOL code, the charge is £15 + VAT per asset to be valued).

Kindly note that where assets remain invested, the value may rise or fall meaning the account value might become worth less than the amount originally invested and/or the probate value.

1.4 CONTINUATION OF MANAGED SERVICES

If all or part of the Killik & Co portfolio is on a managed service, the management will continue on the same service with the same management fees.

The Executors can choose to opt out of continued management, in which case, the assets will remain invested but restricted from trading. There are further options available should the Executors wish to mitigate any potential risk during the administration period with the choice to liquidate some or all of the holdings and retain some or all of the portfolio in cash.* This would require the completion of an indemnity, to be signed by all Executors named in the Will, which is explained in more detail over the page.

If the Executors opt out of continued management, management fees will cease and will be calculated to the date of death. Global custody charges will then apply.

All sales on non-managed accounts are subject to commission and charges.

** As an alternative to cash, executors will have the option to purchase a short dated gilt. Such purchases will be subject to commission and charges.*

* Some AIM assets might qualify for IHT Business Relief. For more information see page 13 or speak to one of our team.

> Step 2:

Sending the Grant of Representation

2.0 THE GRANT OF REPRESENTATION:

Before we are able to distribute or liquidate the deceased's investments, we shall require sight of the Grant of Representation. This is an official document from the Probate Registry that provides confirmation that the personal representatives have a legal right to deal with the assets.

Where the deceased had a will, the named executor(s) will make an application for a Grant of Probate. Where there was no will, or where the will doesn't appoint executors, or if the executors can't or won't act on the deceased's behalf then the next of kin will make an application for Letters of Administration.

In Scotland, a Certificate of Confirmation is issued.

Once you have the Grant of Representation, we would ask that you send us a copy bearing the Court's hologram (for deaths before March 2019, you may have received the older style grant which bears an embossed seal – these

are still valid). This will be returned to you immediately. We will request that you complete a form (a copy of which is enclosed with this booklet) to provide us with instructions regarding the assets held on behalf of the deceased. These may be sent together.

We will need to verify the identity of the executors named on the Grant of Representation so if this is not a solicitor or another regulated entity, please provide the executors' date of birth on the form. By sending us the Grant of Representation, the executors are agreeing to allow us to confirm their identity electronically. (This search is carried out to ensure we are not making a payment to a sanctioned individual as well as for anti-fraud and anti-money laundering purposes. This won't affect the executors' credit ratings and will only be conducted when a payment is being made to them).

> Step 2: Sending the Grant of Representation continued

2.1 INDEMNITY PROCESS (RAISING FUNDS FOR IHT OR SELLING ASSETS BEFORE PROBATE HAS BEEN GRANTED):

We accept that our processes may not fit every set of circumstances so we have a number of exceptions where we allow activity on an account before probate has been granted. In those instances, we require that the personal representatives complete an indemnity (which we will provide upon request):

EXCEPTION 1: RAISING IHT FROM THE ACCOUNT:

If the estate is liable to Inheritance tax (IHT), this will need to be paid before the executors are able to obtain probate (or letters of administration for an intestate estate).

Killik & Co are part of HMRC's direct payment scheme which allows payments to be made from the deceased's account directly to HMRC in settlement of an IHT liability.

For us to process a direct payment to HMRC the Executors named in the Will are required to sign an indemnity, which will be provided on request. This will need to be returned to us along with a copy of the will and completed form IHT423.

Any assets that need to be sold to raise sufficient funds to meet the tax bill should be entered on the IHT423. Should you need help with this, we will put you in contact with the investment manager who was previously dealing with the deceased's affairs.

N.B for non-managed accounts, the Adviser will be unable to provide investment advice on the deceased's account, although they would like to work with you to ensure you find the best long-term solution to your financial situation. They can also assist with facilitating any trades that need to be carried out (on an execution only basis).

> Step 2: Sending the Grant of Representation continued

EXCEPTION 2: SELLING ASSETS BEFORE PROBATE HAS BEEN GRANTED:

We understand that administering an estate can take a long time; often many months (or even years), and that whilst waiting for probate to be granted, executors might have concerns about market conditions. All executors have a responsibility to protect the value of an estate and there are times when selling assets (that might otherwise fall in value) is seen as a good option.

Where executors in an estate have such concerns, we will allow some or all assets to be sold as long as the process mentioned above for raising IHT is followed (i.e. a letter of indemnity is required).

Once trades have settled, all cash will be retained on the account until we have received the grant of probate.

> Step 3:

Distributing the assets from the account

3.0 Once probate or letters of administration has been granted the executor(s) needs to decide what they would like us to do with the assets held on behalf of the deceased. There are 4 main options:

N.B You as the beneficiary or as the executor may wish to speak with someone before making any decisions about the sale or transfer of assets held by us. We welcome the opportunity to help guide you through this process and will be happy to provide any information that will help you.

- 1 ■ Transfer the holdings to another Killik & Co account held by a beneficiary;
- 2 ■ Sell the holdings and have the cash sent to the executor's/solicitor's bank account;
- 3 ■ Transfer the holdings to a third party provider or into the beneficiary's own name; or
(Kindly note that some providers will not accept a third party transfer. You may wish to check this as an account might need to be opened by the executors before the transfer can go ahead. Any assets held within the Fixed Income portfolio may only be sold or transferred to another managed account held with Killik & Co).
- 4 ■ Transfer the assets 'in specie' as an Additional Permitted Subscription (APS) to the widow(er)'s own ISA (this is explained in more detail further on in the booklet).

> Step 3: Distributing the assets from the account continued

There are forms enclosed with this booklet that the executors can use to send us their instructions. These forms must be signed by all executors named on the Grant of Probate.

Upon receipt of signed instructions, we will make any necessary disposals or start the transfer process.

There are factors you may wish to take into consideration when deciding how the assets should be treated. There might be more than one beneficiary and they might have differing attitudes to investments so we can accept a combination of all the above options.



Learn more about
the options

N.B If the deceased held an ISA with us and they leave a surviving spouse or civil partner, please see the next section of this booklet as the spouse may be able to retain the tax benefits of the ISA.

> Step 3: Distributing the assets from the account continued

3.1 TRANSFERRING THE HOLDINGS TO ANOTHER KILLIK & CO ACCOUNT:

If the beneficiary wants to hold onto the assets previously owned by the deceased, by transferring them to another account within Killik & Co, they are able to stay invested and there are no associated costs.

The beneficiary may not have previously held an account with us in which case, they may wish to speak to an adviser before opening an account. **You will find details of what to do at the back of this booklet in the ‘Contact Us’ section.**

3.2 SELL THE HOLDINGS:

All sales are put through on an execution-only basis and most settle within a few days. There are exceptions and details may be found about these exceptions towards the end of this section.

Details of the trading commissions charged may be found on our rate card.

A statement will be provided showing the sales placed and the net proceeds received. Contract notes are available on request.

3.3 TRANSFER THE HOLDINGS TO A THIRD PARTY OR INTO THE BENEFICIARY’S NAME:

If you would like us to transfer the assets to another nominee company, we will need the contact name, address and if relevant, the account number. Before providing an instruction to transfer, please ensure that the nominee company will accept all the assets currently held.

If the assets are to be transferred into the beneficiary’s own name, please provide their full name and address on the relevant transfer forms so the registrars may include this information on the share certificates. For assets that may not be held in certificated form, the beneficiary may need to open an account with the provider (this is the case for all unit trust holdings). Each provider has its own requirements so you would need to check these with them in advance.

For any transfer made to a beneficiary who is not a named executor, we will require original or certified copy of photo and address identification.

Charges are not applicable when transferring to another nominee company but do apply when transferring to a beneficiary’s own name. These are £25 per holding (including foreign assets, unit trusts and UK crest stocks).

➤ Step 3: Distributing the assets from the account continued

3.4 CASH:

Each of the executor instruction forms contains a separate section for dealing with cash. This might be made up of cash that was waiting to be invested before the date of death, sale proceeds, proceeds from corporate actions, or income (interest and dividend payments) that has accumulated.

Cash can be transferred in the same way as the assets or payments can be paid to any of the following:

- An executor's account containing the name of the deceased
- An account in the name of one or more of the executors
- A solicitor's account or an account held by a regulated entity as long as that entity has a connection to the deceased

3.5 SPECIALIST SERVICES AND EXCEPTIONS:

If the deceased held assets in one of our specialist services, you may need to give special consideration to how these assets should be treated. Without knowing a little more about these services, it might be difficult for you or the beneficiary to decide whether these assets should be retained or sold. For further details about any of these services, please contact the investment manager named at the front of this booklet.

AIM IHT Portfolio

The AIM IHT portfolio is made up of carefully selected holdings that (if held for the relevant amount of time) should qualify for full business relief (100% pre 6 April 2026, 50% for transfers after this date). Where these assets are inherited by a surviving spouse, they are treated as being acquired when the deceased made the investments.

Kindly note that while we are able to confirm how long the assets have been held, we are unable to verify whether they would qualify for the relief or provide any further advice.

These assets are more illiquid than other stocks so may take longer to sell.

> Step 3: Distributing the assets from the account continued

Fixed Income Service

Institutional bonds cannot be held by non-professional investors and as such must be held within the Fixed Income service or risk breaching rules. Additionally these bonds cannot be traded easily due to their £100k minimum denomination.

Therefore, in certain circumstances, fixed income portfolios or their individual constituents may not be able to be transferred out and may have to be sold. Sometimes the sales take place under the guidance of the investment manager before probate. When this is the case, the proceeds are retained on the account until the Grant of Probate has been received.

Killik & Co Self Invested Personal Pension (SIPP)

Pension assets are dealt with separately to other assets held with Killik & Co as they are not distributed in accordance with the Will. Instead, the Pension trustees will distribute the assets held within the SIPP. For Killik & Co SIPP's, we will notify the Pensions Administration Team to contact the LPRs and for third party pension accounts we will notify the relevant pension trustees.

N.B from April 2027 we will provide the necessary valuations and details that the Executors may require to fulfil any IHT reporting requirements.

3.6 WHAT HAPPENS WHEN THE ASSETS HAVE BEEN DISTRIBUTED?

Once we have transferred the assets or sold them and paid away the proceeds, we would normally keep the deceased's account(s) open for a few weeks. This is to collect any further dividend or interest payments that might still be due. Where this is the case, a further residual cash payment will be sent in accordance with the instructions received.

When the account is ready to be closed, we will provide full cash statements covering the period from the date of death to closure plus consolidated tax certificates and supporting schedules if these are relevant.

Any personal information requested from you or the beneficiaries enables us to distribute the assets held by the deceased. We need confirmation of identity to prevent fraud. Copies of the documents and information that you provide will be retained on our files and in line with record keeping requirements. Full details of how we retain your data may be found in our privacy policy on our website:

killik.com/privacy-policy

If a paper copy is required, please let us know.

“We are all too aware that the death of a family member or a close friend is an exceptionally difficult time in a person’s life. That’s why the Bereavement Services team at Killik & Co has been designed to make your life a little easier by helping you with your loved one’s estate, which can often seem daunting and complex.”

Sarah Hollowell, Tax & Trustee Services Director

What happens to an ISA when someone dies?



> ‘Continuing ISA’

For ISA investors who die on or after 6 April 2018, their ISA becomes a ‘continuing account of a deceased investor’ – commonly known as a ‘continuing ISA.’

Although nobody can pay any more money into it, the ISA will retain its tax benefits while the administration of an estate is completed (for up to 3 years).

> Additional Permitted Subscriptions (APS)

Many of our clients take advantage of the annual ISA ‘allowance’ – or subscription amount and over the years, may have accumulated a significant amount of ‘tax free’ investments.

When they die, if there is a surviving spouse or civil partner, these tax benefits do not need to be lost.

The additional permitted subscription is a benefit that entitles the spouse/civil partner of the deceased to subscribe the value of the deceased’s ISA to their own ISA in addition to their normal annual ISA subscription allowance.

> How does this work?

(Relevant only for deaths on or after 6 April 2018)

Where the spouse/civil partner is the beneficiary, the ISA assets can be transferred directly from the deceased ISA's to the widow(er)'s ISA within Killik & Co without the tax wrapper being affected. If the value of the deceased's ISA has decreased since the date of death, then the widow(er) can subscribe the additional value under the APS benefit using cash.

If the spouse/civil partner's ISA is not held with Killik & Co the APS can still be utilised however all assets will be sold and the cash will be subscribed to the external ISA.

Should the spouse/civil partner not be the beneficiary, they can still take advantage of the APS by using their own cash to subscribe to their ISA under the same rules.

If the widow(er) does not have a Killik & Co account and they would like to open an ISA with us, please contact the investment manager. If carrying out an 'in specie' transfer of assets to the Killik & Co ISA, you would need to discuss this with the investment manager first to ensure these assets fit your investment criteria.

THE RULES:

- The APS is non-transferrable and is only available to the spouse or civil partner of the deceased.
- There are time limits for making the APS: When the APS is in cash; 3 years from the date of death or within 180 days of the estate being distributed (whichever is later). APS transfers of assets must be done within 180 days of the estate being distributed.
- The date of death must have been on or after 3 December 2014.
- And the couple must have been living together (i.e. not legally separated or in the process of separating). If one spouse or civil partner was in a care home, hospice or hospital, this does not affect the position regarding living together.
- If the deceased held ISAs with multiple providers, there will be an APS allowance for each. These may be amalgamated. (However please note that 'in specie' APS transfers of assets other than cash may only take place with the same provider).
- The APS does not apply to Junior ISAs (JISAs) or Child Trust Funds (CTFs).

Can we help?

As well as investment management, Killik & Co has a broad suite of services that you might find useful.

WEALTH PLANNING:

If your circumstances have changed following the death of a loved one you might want to think about your financial future.

You may have received an inheritance and be unsure whether this should be saved, invested or even passed onto the next generation. Our team of Wealth Planners can be there to guide you and your family through the options available to you.

TAX RETURN SERVICE:

We complete tax returns for UK-based individuals as well as trusts and estates, calculate the tax position and liaise with HMRC on behalf of the taxpayer.

When someone dies, finalising tax matters can be tricky and time consuming. The estate may also have income tax or capital gains tax liabilities. The beneficiaries may also need to review their own tax position following the change to their circumstances.

Our specialist tax team is available to look after your tax affairs should you need them to.

This service is also available to third parties who might be dealing with an estate but do not have a tax team to deal with the pre or post-death periods.

WILL WRITING:

The death of a loved one may lead us to think of our own mortality. Or a change in circumstances may lead us to review an existing will - our wishes often change over time so it's important the will is kept up to date.

We have a team of specialists within our own trust company; Killik & Co Trustees Ltd who will be happy to guide you through this process.

EXECUTOR SERVICE:

Killik & Co Trustees Ltd may be appointed as a professional executor to act either alone or with family members/friends who you may wish to appoint in your will. This can ease the administrative burden on loved ones during what can be a difficult time. We can also act as executor when appointed under a power of attorney if the executors named in the will are unable or unwilling to act.

LASTING POWERS OF ATTORNEY:

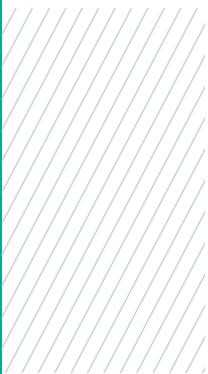
Appointing an attorney to look after your affairs for you in the event that you are no longer able to do so yourself is a good way of insuring yourself against the problems that might arise if you don't.

Our team can not only complete the necessary forms, they can be appointed as attorney (property and financial affairs only) should you wish for a professional to deal with matters for you.

PROFESSIONAL TRUSTEE SERVICE:

It could be that a trust has been created in the deceased's will or a discussion with a Wealth Planner may lead you to decide on a family trust or a charitable trust.

Killik & Co Trustees Ltd have many years experience of acting as professional trustee and are able to act alone or alongside co-trustees.



For the rate cards or more information about any of these services, please email probate.services@killik.com or call any of the numbers at the front of this booklet.

Useful External Contacts:

HM REVENUE & CUSTOMS: 0300 200 3300 (re income tax & IHT)

www.gov.uk/government/organisations/hm-revenue-customs/contact/bereavement-and-deceased-estate

DEPARTMENT FOR WORK & PENSIONS (DWP): 0800 731 7898

www.gov.uk/government/organisations/departments-for-work-pensions

CITIZENS ADVICE: (the telephone number varies according to your region)

www.citizensadvice.org.uk

MONEY ADVICE SERVICE: 0800 138 7777

www.moneyadviceservice.org.uk

AGE UK: 0800 678 1602

www.ageuk.org.uk

NHS: (telephone number varies according to region)

www.nhs.uk

CRUSE: 0808 808 1677

www.cruse.org.uk

WAY FOUNDATION (WIDOWED AND YOUNG): for widows aged 50 and under

www.widowedandyoung.org.uk

WAY UP: for widows in their 50s and 60s

www.way-up.co.uk

SURVIVORS OF BEREAVEMENT BY SUICIDE: 0300 111 5065

www.uk-sobs.org.uk

BRITISH ASSOCIATION OF COUNSELLING & PSYCHOTHERAPY: 01455 883300

www.bacp.co.uk

> Disclaimer

Nothing in this brochure should be construed as investment advice, or as comment on the suitability of any investment or investment service. Prospective investors should take advice from a professional adviser before making any investment decisions. There are risks with almost every investment that you may not get back the original capital invested. The value of your investments may fall as well as rise and the past performance of investments is not a guide to future performance. For more information about the investment services covered in this presentation, including their particular risks, please refer to our brochure and service factsheets. Killik & Co is a trading name of Killik & Co LLP, a limited liability partnership authorised and regulated by the Financial Conduct Authority and a member of the London Stock Exchange. Registered in England and Wales No. OC325132 Registered office: 46 Grosvenor Street, London, W1K 3HN. A list of Partners and branch offices is available upon request. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.