

Vanguard[®]

What to do when someone dies

Our guide to dealing with bereavement
(for UK retail investors)

Contents

1.	How to register a death	3
2.	Notify us of a death	3
3.	Valuing an estate and paying inheritance tax from a Vanguard account	3
4.	Probate or small estate?	3
5.	Closing a Vanguard General Account or ISA	4
6.	Closing a Vanguard Junior ISA	4
7.	Closing a Vanguard Personal Pension	5
8.	ID verification, bank verification & certified copy requirements	6
9.	Frequently asked questions	7
10.	Technical terms explained	7

Help and resources

How to get in touch

You can contact your Vanguard bereavement specialist by calling 0800 587 0460 (our lines are open Monday to Friday, from 9am to 5pm).

Alternatively, email them at:
personalinvestors@vanguard.co.uk

The steps to take when someone dies

If the person died in the UK, visit gov.uk/when-someone-dies for a step-by-step guide of what you need to do.

If the person died in a country outside the UK, contact the local authorities for guidance.

The documents we ask for should be posted to:

Vanguard
PO Box 24095
1 Tanfield
Edinburgh
EH3 1FS

Any original documents you post to us will be returned to you by recorded delivery.

1. How to register the death

Death in the UK

You should contact your local registry office to register a death. You can find more information on this process at gov.uk/register-a-death.

You need to register the death within 5 days if the death happened in England or Wales. If the death happened in Scotland, you have 8 days to register the death.

Death abroad

If the person died abroad, you must register the death by following the regulations of the country they were in when they died.

You will be given a local death certificate, which will be accepted in the UK. If the death certificate is not in English, we may need a certified translation of the document.

2. Notify us of a death

To let us know a Vanguard account holder has died, you can:

- send an email to personalinvestors@vanguard.co.uk
- call us on 0800 587 0460 (our lines are open Monday to Friday, from 9am to 5pm)
- send a secure message from your own Vanguard account
- write to us at Vanguard, PO Box 24095, 1 Tanfield, Edinburgh, EH3 1FS

If you already have a death certificate (or an interim certificate from the coroner) by the time you contact us, please post an original or certified copy of this to our Edinburgh address.

A member of our bereavement team will get in touch to help you through the process of closing accounts. We will try to make sure that you have the same bereavement specialist throughout the process.

3. Probate or small estate?

Probate (or confirmation as it's known in Scotland) is the legal right to deal with someone's property, money, and possessions (their 'estate') when they die.

If the person who died left a will, the executors named in it can apply for the grant of probate. If there is no will, administrators (usually the closest living relative) can apply for letters of administration.

If the combined value of any Vanguard ISA & General Accounts is less than £35,000 and no other institutions are asking for probate – speak to your bereavement specialist about how to proceed based on a 'small estate'.

4. Valuing an estate and paying inheritance tax from a Vanguard account

Valuing an estate

When the death has been registered, you need to send us the death certificate and calculate the total value of the estate to see if there is any inheritance tax to pay. After we receive the death certificate, we will send you an account valuation for the person who died.

No Vanguard Personal Pension accounts are included, as pensions should not form part of the estate.

More information on valuing an estate can be found on the GOV website: gov.uk/valuing-estate-of-someone-who-died

Paying inheritance tax from a Vanguard account

If inheritance tax is due, we can pay this directly to HMRC from the balance of ISA or General Accounts held in the Vanguard of the person who died.

If you would like us to do this, please post us:

- an original IHT423 form, complete and signed by the executors
- an original or certified copy of the will

Post the documents to:

Vanguard
PO Box 24095
1 Tanfield
Edinburgh
EH3 1FS

Any original documents you post to us will be returned to you by recorded delivery.

5. Closing a Vanguard General Account or ISA

Any payments or transfers from a General Account or ISA must go directly to the executors, administrators or next of kin. We can also pay to a solicitor if they help you with the process.

Your options for closing a General Account

When we close the account, we can:

- pay to a UK bank or building society account
- move cash or funds to a Vanguard General Account

Your options for closing an ISA

When we close the account, we can:

- pay to a UK bank or building society account
- move cash or funds to a Vanguard General Account
- move cash or funds to a Vanguard ISA in your name – this option is available for spouses and civil partners only, under Additional Permitted Subscription (APS) rules

What you need to send us

You should start by sending us an original or certified copy of the death certificate.

The other documents we need depend on whether you are applying for probate or using our small estates declaration.

“I am applying for probate, letters of administration or equivalent”

You need to send us an original or certified copy of the grant of probate or letters of administration. We also need:

- a letter of instruction signed by the executors or administrators named on the document
- two forms of ID for any executors who are not existing Vanguard account holders (see section 8)
- bank account verification for any payments to a bank account (see section 8)

“I am using your small estates declaration”

We can close an account using the small estates declaration if:

- the executors or next of kin do not need to apply for probate or letters of administration (usually when there is no inheritance tax to pay)
- the combined value of any Vanguard General Accounts and ISAs is **less than £35,000**

If you think you meet these criteria, please speak to your bereavement specialist about how to proceed based on a ‘small estate’.

Additional Permitted Subscription (APS) transfers

APS transfers are available to surviving spouses or civil partners if the person who died has an ISA.

There is an extra form you need to complete depending on the type of APS transfer you want. The two transfer types are:

- **APS internal transfer**, to transfer the allowance and cash or assets within the Vanguard ISA account of someone who died, to an ISA in the name of an eligible spouse or civil partner.
- **APS transfer out**, if the spouse or civil partner wishes to transfer the Vanguard ISA allowance to another provider.

Your bereavement specialist will help you with the form, APS transfer, that you need for an internal transfer. If you want to transfer out, the provider of your choice has the form you need for this.

The surviving spouse or civil partner may also be entitled to transfer an allowance relating to non-Vanguard ISA to a Vanguard ISA in their own name. Note that this is not a transfer of cash and assets, just a transfer of allowance which you can use on top of your normal ISA allowance.

6. Closing a Vanguard Junior ISA

To close a Vanguard Junior ISA, the registered contact for the account needs to send us:

- an original or certified copy of the death certificate
- a signed letter of instruction confirming the registered contact’s bank details to send the account balance to
- bank account verification (see section 8), if we have not already verified the account details you like us to pay to

Post the documents to:

Vanguard
PO Box 24095
1 Tanfield
Edinburgh
EH3 1FS

Any original documents you post to us will be returned to you by recorded delivery.

7. Closing a Vanguard Personal Pension

Closing a Vanguard Personal Pension is different from a General Account and ISA because the Personal Pension is usually not part of the estate for the person who died.

To make sure the pension remains outside of the estate, our pension trustees will determine who the rightful beneficiaries are. They make their decision based on available information, like the expression of wish completed by the account holder before they died, as well as their will.

The trustees will usually follow the expression of wish of the person who died. They'll only do something different in exceptional circumstances.

Beneficiary's options for closing a Personal Pension

When we close the account, we can:

- pay all or some of the entitlement out to the beneficiary's UK bank account as a lump sum
- move all or some of the entitlement to a Vanguard Flexi-Access Drawdown Pension (only an option for UK residents over 18)
- move all or some of the entitlement to an external provider to get a guaranteed income or a Flexi-Access Drawdown Pension

Will there be tax to pay?

If tax needs to be paid, we will handle this on your behalf if you are a UK resident. If you are a resident outside of the UK, you need to declare the income in the country you reside in.

Whether beneficiaries pay tax depends on the account holder's age when they died.

Income Payments

If they **died before their 75th birthday**: beneficiaries will usually receive any income payments from the pension tax free

If they **died after their 75th birthday**: beneficiaries will usually have to pay income tax on any Income payments in the pension (a tax adviser will be able to help you understand this more).

Lump sums

Any lump sums paid from the pension will be measured against a Lump Sum & Death Benefit Allowance. This is set at £1,073,100 and applies to any lump sum payment paid from any and all pension schemes.

Any lump sum paid where there is no remaining allowance will be taxed at the beneficiaries' marginal rate of tax.

What you need to send us

Start by sending us an original or certified copy of the death certificate.

To **determine who the beneficiaries of the pension are**, we need you to send us an original or certified copy of these documents (if they are available):

- the will for the person who died
- a marriage or civil partnership certificate
- the birth certificate for a spouse or civil partner

To make the right decision, we also need to know:

- if the person who died had any children or other people that relied on their income
- about other family members, co-habitants, separations, or anything that may be relevant

After we decide who the beneficiaries are, we will send them an options form to complete. **The beneficiary will then need to return their option form with:**

- two forms of ID for any beneficiaries who are not existing Vanguard account holders (see section 8)
- bank account verification for any payments to a bank account (see section 8)

Post the documents to:

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Edinburgh
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8. ID verification, bank verification & certified copy requirements

We need proof of ID and address

We have to verify the identity of all executors, administrators, next of kin or beneficiaries if they are not existing Vanguard account holders. To do that we need original or certified copies of ID and address documents.

To verify ID, use one of the following:

- a valid passport
- a valid UK photocard driving licence, full or provisional
- EEA National Identity card
- firearms certificate or shotgun licence

To verify address, use one of the following:

- valid UK photo card driving licence, full or provisional (unless you are using it as proof of ID)
- current bank or credit card statement (showing your address) dated within the last 3 months, (unless you are using it to verify your bank account)*
- UK utility bill (gas, electricity, water) dated within the last 3 months
- HMRC correspondence where name, address and permanent National Insurance number is shown, dated within the last 12 months
- UK council tax bill – must be the most recent issued document and dated within the last 12 months

Please make sure that the documents are not redacted, cropped, obstructed or blurred, as they will not be accepted.

We also need to see bank account details

We are required to complete bank account verification checks. It is part of our obligations under the Anti-Money Laundering and Counter Financing or Terrorism Regulations. To do that we need:

- a bank statement dated within the last 3 months showing address and bank account details* OR
- a voided cheque (write the word VOID across the cheque)

*You can only use this to verify your address if you have not used the same document to verify your bank account. Statements from accounts managed by electronic money providers will not be accepted.

How to get documents certified

We accept certified documents from chartered accountants, an FCA approved person (such as a Financial Adviser) or solicitors (regulated by the Solicitor's regulation authority). The person you ask should not be related to you, living at the same address or in a relationship with you or a beneficiary.

To get a document certified, take the photocopy and the original to one of the above and ask that they:

- write 'Certified to be a true copy of the original seen by me' on each page of the document copy
- sign and date the copy
- print their name under their signature
- add their occupation, address and telephone number

Each document you send us should have its own certification statement.

Post the documents to:

Vanguard
PO Box 24095
1 Tanfield
Edinburgh
EH3 1FS

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9. Frequently asked questions

What happens to the investment funds in the account?

For Vanguard General Accounts, ISAs or Junior ISAs, the funds will remain invested until we receive an instruction to sell or transfer them from an executor, administrator or the next of kin. This can only happen after we receive the grant of probate, letters of administration or our completed small estates declaration.

For Vanguard Personal Pensions, the funds will be sold when we receive proof of death and the balance will remain in cash until instructions are received from the beneficiaries.

Do I need to post documents to you?

Yes, we need all documents we ask for posted to Vanguard, PO Box 24095, 1 Tanfield, Edinburgh, EH3 1FS. Your bereavement specialist will let you know if we can accept a document to be sent in a different way or in a different format.

Do you still charge account fees after someone dies?

We will continue to collect fees until the account is closed. These will be taken automatically from the account itself.

What happens if I held power of attorney?

Your power of attorney ends when the person you are the attorney for dies. That is why we are only able to act on the instruction of executors, administrators or next of kin when someone dies.

Can I log into the account of the person who died?

No, the account will be locked when we are notified of the death. But your bereavement specialist will give you all the information you need.

What are the time limits?

For a Vanguard ISA, we will close the account 3 years after the account holder dies and remove any remaining cash or funds to a taxable General Account.

For an Additional Permitted Subscription (APS) transfer, it must be made:

- for 'in specie' transfers, within 180 days of beneficial ownership passing to the surviving spouse or civil partner
- for cash subscriptions, within 3 years of the date of death
- if later than 3 years, 180 days of the completion of the administration of the estate

For the Vanguard Personal Pension, we have 2 years to pay out from the account before the balance becomes part of the estate for the person who died and may be subject to inheritance tax.

What happens to pension income payments made after someone dies?

We will ask for the net pension payment to be returned to our bank account. Any tax paid to HMRC will be reclaimed. Your bereavement specialist will provide you with instructions on how this should be done.

What if I can't get documents translated or certified?

If you think you are unable to provide documents in English or certified in the UK, please contact your bereavement specialist for further guidance.

10. Technical terms explained

Administrator – the personal representative of a person who died without leaving a will, or leaving a will that did not appoint an executor, or appointing an executor who is unable or unwilling to act.

Beneficiary or beneficiaries (interchangeable) – the person(s) entitled to receive the pension benefits when someone dies.

Death certificate – an official certificate, signed by a doctor or coroner, with details of a person's death.

Executor – a person or company named in the will to carry out the wishes of the person who died.

Grant of probate (or grant of confirmation) – a document which gives executor(s) the legal right to deal with someone's property, money and possessions when they die leaving a will. It is known as the grant of confirmation in Scotland.

Letters of administration – a document which gives authority to deal with someone's estate when they die without leaving a will.

Pension trustees – Vanguard Pension Trustee UK Limited are the trustee for the Pension Scheme, exercising their discretion in line with our terms and conditions.

Probate – the entire process of dealing with the estate of someone who died. It involves distributing their money, assets and possessions (their 'estate') after paying any taxes and debts.

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