INHERITING MONEY

A guide for beneficiaries

IMPORTANT INFORMATION

We've written this guide to explain the different options available to those who inherit assets held with Hargreaves Lansdown (HL) by a former client. We hope you find it useful, but it's not personal advice.

If you're unsure about what to do you should seek guidance or advice. If your situation's complex you may decide to pay a professional for help, like a financial adviser or tax specialist.

Rules around financial products and tax can change, and benefits will depend on your circumstances. All investments can fall as well as rise in value so you could get back less than you invest.

The information in this guide is correct as at 14 March 2025, and all figures apply to the 2025/26 tax year.

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BECOMING A BENEFICIARY

How it works

We appreciate that losing someone close to you can be extremely difficult, and deciding what to do with any money or investments they've left you, probably won't be the first thing on your mind.

But it's important you understand your options so you can make the best choice for your situation. This includes:

- How you can access the assets you inherit
- Deadlines and tax rules that might affect your decisions
- Different savings and investment services that might interest you

If you have any questions about the information in this guide, or the services we provide, please call our helpdesk on **0117 906 7806**.

(Monday to Friday 8am-5pm and Saturday 9:30am-12:30pm)

Or write to us:
Hargreaves Lansdown
One College Square South
Anchor Road
Bristol
BS1 5HL

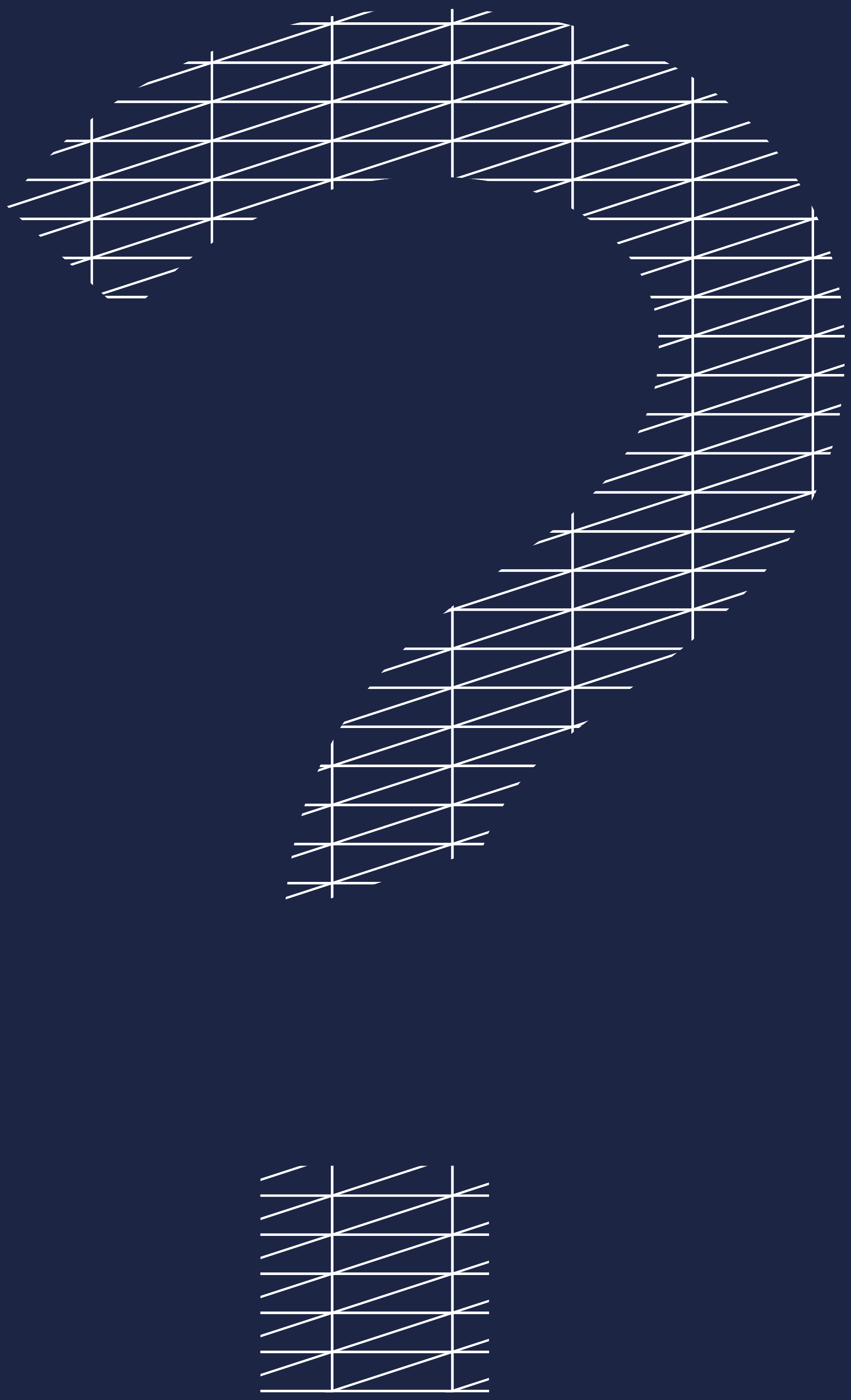
WHAT WE'LL NEED FIRST
Before we can distribute anything to beneficiaries, we need a few things first.

These requirements are normally settled with the personal representative who's dealing with the deceased's estate (usually the executor or administrator). Points 2-4 don't apply to the HL SIPP and we'll request different documents for this.

In most cases, we'll need:

1. Sight of the original death certificate (or certified copy).
2. Proof of authority to deal with the deceased's estate – usually grant of probate or letters of administration.
3. Completed HL estate application pack, and other required documentation.
4. Bank account details to which payments should be made, including proof of authenticity and ownership.

In some cases we may also ask to see the Will (or a certified copy).



DECIDING WHAT TO DO

Take your inheritance as cash, or keep it invested

1. Take as cash
You might want to use any money you inherit to help with your day-to-day spending, to pay off some debt, or use it to visit friends and family. In which case you might prefer to receive it as a single cash payment.

It's up to you how you choose to spend or save this money. Just remember, if you're holding large amounts of cash savings, inflation could reduce the money's real worth over time.

When selling any shares held, a 1% charge will be applied per deal (minimum £20, maximum £50).

2. Invest for the future
If you don't need it straight away you might consider keeping all, or some, of the money you inherit invested until a later date.

This could give the value of your inheritance the potential to grow through investment returns. Though all investments can fall as well as rise in value so you could get back less than invested.

We offer various short and longer-term savings and investment options for you to consider, which are explained throughout this guide.

PAYMENTS AND BANK ACCOUNTS
In some cases, it may be possible for us to make a payment directly to a beneficiary if the holdings are held within a SIPP.

For non-SIPP holdings being paid as cash we will make a single payment to the executor, who will then arrange payment to each individual beneficiary.

We'll need a recent bank account statement (which must show the account holder's current postal address and have been issued in the last three months) to confirm authenticity and ownership of the account to which any payments should be made.

If the account's just been opened, so a statement isn't available, we'll accept a letter on headed paper from the bank confirming the account details and the address of the account holder. If payment should be made to a Solicitor, we can accept a letter on their company headed paper confirming these details.

We'd suggest you avoid using a bank account held in joint names, as all account holders will need to provide proof of name and address if we cannot verify their identity electronically.

MORE TO THINK ABOUT…
Depending on your relationship to the person who's died and your age, there may be certain tax rules or specific options to consider when making your decisions.

If you've inherited benefits originally held in a pension, read more about your specific options on pages 20 and 21.

If you're the spouse or civil partner of the person who's died, read pages 14 and 15 to find out more about the additional ISA allowance.

INVESTING FOR THE FUTURE

As shown in the table below, you can choose to save or invest your inheritance through an HL account.

Depending on which account the assets originally came from, you can transfer them as they are straight into an HL account in your own name, or have the value paid out as cash first and then apply to open an investment account of your choice.

	ORIGINAL ACCOUNT				
Possible options for investing your inheritance	HL Stocks and Shares ISA	HL Lifetime ISA	HL Fund and Share Account	HL Active Savings Account	HL SIPP
Have the value paid out to you as cash, and apply to re-invest into any HL product of your choice.	✓	✓	✓	✓	✓
Transfer the assets to a new or existing HL Fund and Share account in your own name.	✓	✓	✓	✓	✓
If you're the spouse or civil partner of the deceased, transfer the assets to a new or existing HL Stocks and Shares ISA in your own name, using the APS (see pages 14 and 15).	✓	✓			
Keep the cash in an Active Savings Account in your own name.				✓	
Transfer the assets to a new or existing HL drawdown SIPP in your own name.					✓
Exchange the value of assets for an annuity (which provides a secure income).					✓

If you have shares in an HL Fund and Share account, you can use the HL Share Exchange (Bed & ISA) process to sell them outside an ISA, move the cash into the ISA wrapper and buy back the same shares again, all in one instruction. You have to stick to your overall £20,000 ISA allowance though.

But when your investments are in an ISA, you won't have to worry about UK dividend tax or CGT.

Also, don't forget about your £3,000 CGT allowance when you're selling investments to move into an ISA.

Learn more about Share Exchange: **www.hl.co.uk/shares/share-exchange**

IS INVESTING RIGHT FOR YOU?

Your goals, the risks, and investment choices

Your goals for the future, how comfortable you are making investment decisions, and how you feel about taking risks, will all determine whether investing is right for you. Everyone's different.

YOUR GOALS

For some people investing's about generating extra income now, perhaps to supplement other earnings or pensions. For others it may be a way of saving for the future. This could be for a new house, for retirement, or for children or grandchildren. These goals are likely to affect how and where you choose to invest.

Investing for income

If you're looking to invest your inheritance to create extra income, this can be generated from investments, such as shares that pay dividends or bonds that pay interest.

Retirees are typically income investors, using the income from their investments to supplement any pensions they might already receive. However, investors should remember that investment income varies and isn't guaranteed.

Investing for growth

The goal for growth investors is to increase the value of the investment itself over the longer-term. In stocks and shares for example, growth is the result of a rise in the price of the shares.

Of course you might choose to combine income and growth strategies. For example, you may choose to reinvest any income your investments make (hopefully resulting in capital growth), or you may gradually sell your holdings over time to take an income.

UNDERSTANDING RISK

Before investing, you should make sure you're fully aware of the risks. There are always investments that will make you money – but there are also ones that won't.

Some investors will prefer low risk investments, while others will be happy to take on a higher level of risk. If successful, higher risk investments can potentially offer higher rewards.

All investments should be held for the long-term (we'd suggest at least 5 years) to provide a greater chance of weathering short-term volatility. But all investments can fall as well as rise in value, no matter how long they're held, so you could get back less than you invest.

It's also important that you don't invest money you're likely to need in the short term.

A good rule of thumb is to look at how much cash you'll need for the next 6 months, and keep this as an emergency cash fund that can be accessed easily (1-3 years if you're retired) after 6 months.

CHOOSING INVESTMENTS

Whether you're new to investing or more experienced, we offer a range of resources to help.

You can pick from our wide range of investments (including funds and shares), choose from ready-made investments or pay an adviser to recommend investments for you.

You'll also find a wealth of information at **www.hl.co.uk**, including expert commentary on funds and shares, investment ideas, guides to investing and regular newsletters.

Our research and tools shouldn't be taken as personal advice on where or how to invest, but they could help you learn more about investing and how to identify opportunities, helping you grow more confident in your own decisions.

If you're unsure whether any investment is suitable for you, please seek advice.

The Wealth Shortlist

If you want help getting started, you could take a look at our Wealth Shortlist. It's our analysts' selection of funds they believe have the potential to outperform their peers over the long term.

The Wealth Shortlist includes funds across a range of sectors, and risk levels that won't be right for everyone – it isn't personal advice. A change to the list isn't a recommendation to buy or sell. You'll need to consider your own goals, attitude to risk and wider portfolio before making any investment decisions. Funds can fall as well as rise in value and you could get back less than you invest.

To find out more visit **www.hl.co.uk/funds/help-choosing-funds/wealth-shortlist**

Ready-made investing

If you'd prefer an expert to choose and manage investments on your behalf, you might consider ready-made investing.

Our portfolio funds can be used as all-in-one investments. Pick one from the different risk levels and you're good to go. You'll just need to check in every now and then to make sure it still meets your needs and circumstances.

Once you've chosen a portfolio fund, you can relax in the knowledge that our experts will manage the investment from there. They'll look to maximise returns according to the level of risk chosen.

Whichever level of risk you choose, it's important to remember that the funds can go down as well as up in value.

For more information **www.hl.co.uk/funds/leave-it-to-an-expert**

Financial advice

If you're not sure about investing, one of our professional advisers can give you one-off or ongoing financial advice, based on your circumstances and future goals. You can find out more about our advisory service on the next page.

INVESTMENTS EXPLAINED

Funds

A fund is an investment that pools together the money from many individuals. Fund managers then use this pool of money to invest in a range of assets such as shares, bonds or property, depending on the investment objective of the fund.

They offer an easy and convenient way to invest, and are a popular choice among investors. They provide an easy way to diversify across a number of different investments, and access to the skills of a professional fund manager.

A fund can come in a variety of different shapes and sizes and include Unit Trusts and Open Ended Investment Companies (OEICs).

Shares

Buying a share means buying a (usually very small) stake in a specific business. There's the potential benefit of receiving dividend payments.

A dividend is a payment made by the company to shareholders, and usually represents a share of the profits. Successful companies can raise their dividend payments over time, as profits increase. Though historically shares can be more volatile than other investments.

Being a shareholder might also give you certain rights and benefits; for example the right to vote on company matters at the Annual General Meeting.

Bonds

When you buy a bond you are, in effect, lending a company or government money. In return you receive interest and the issuer promises to pay back the loan on a specified date. Examples of bonds include corporate bonds and government bonds (e.g. gilts).

Remember, there are no guarantees. The value of investments, and any income they produce, can fall as well as rise. If you'd like to find out more about investments, take a look at our online guide to investing at **www.hl.co.uk/free-guides/how-to-start-investing-in-the-stock-market**

FINANCIAL ADVICE

If you'd like more help deciding what to do

You'll want to be sure you're making the right decisions and putting your inheritance to good use. You don't need to do anything in a hurry. Take the time to consider your overall financial situation and what your priorities might be.

If you're not sure what to do, or you'd like advice from a professional, our advisory service can help.

A FINANCIAL PRIORITY LIST

- Deal with legal issues (wills and power of attorney)
- Protect your family finances
- Manage debt
- Build a cash cushion for emergencies
- Plan for income in retirement
- Manage savings and investments
- Estate planning
- Have some fun

Our advisory service can help you make your own list, and give you advice on how to make the most of your inheritance.

FOCUS ON WHAT MATTERS TO YOU

Doing the right thing with an inheritance means different things to different people. Some want to use an inheritance to clear debt, while others want to protect their loved ones.

The options available to you might seem confusing or daunting. But our financial advisers can help direct you to the most suitable solution for your circumstances.

They'll also focus on what matters to you, whether that's understanding tax implications, developing a strategy to grow your inheritance for the future, or to simply help with decision making.

You might just want one-off advice for reassurance, or you might prefer ongoing advice to make sure your plans stay on track. At HL you can pick and choose the advice you need, so you only pay for the advice you want.

FREE GUIDANCE

If you're seeking guidance on how to make your own investment decisions, but you don't want financial advice, our advisory helpdesk will assist you free of charge, by providing information and help with our interactive tools, online services or investment resources.

INVESTMENT ADVICE

A financial adviser can help you to get the most out of your money by creating a balanced and diversified portfolio which matches your attitude to risk. Your adviser will work with you to understand your financial goals and help you to understand any potential tax shelters or upcoming legislation changes.

TALK IT THROUGH

If you'd like to talk through your inheritance with an expert call our advisory helpdesk on **0117 317 1690**.

They'll ask about your goals, and let you know:

- ✓ If advice is right for you
- ✓ Which of our services might suit you
- ✓ What benefit you might see from taking advice
- ✓ Our charging structure

INVEST IN AN ISA

Stocks and Shares, Junior and Lifetime ISAs

If you're 18 or over you can choose to transfer, or re-invest, your inheritance into an Individual Savings Account (ISA). This gives the freedom to save and invest without paying any UK income or capital gains tax.

We offer ISAs for investing in the stock market, saving to buy your first home (or for retirement), ISAs for saving cash and investing for children. Peer-to-peer lending is also available on the market.

However, there's an annual limit to the total amount you can invest into your ISAs.

The overall ISA allowance for the 2025/26 tax year is £20,000. This includes the Lifetime ISA allowance (explained on page 13).

If you choose to invest in an ISA you need to be aware of the risks. Unlike the security offered by cash, the value of investments can go down as well as up, meaning you could lose money.

ACCOUNT FEATURES

- Invest in the stock market
- Tax-free growth on your investments
- No UK tax on income

Tax rules can change and benefits will depend on your individual circumstances.

For more information on our charges please see page 22.

If you'd like to find out more about any of our ISA services, or to request an application pack, please call our helpdesk on **0117 980 9984** or visit **www.hl.co.uk**.

STOCKS AND SHARES ISA

By investing in a Stocks and Shares ISA you can potentially grow your money over time by buying and holding shares, funds and other types of investments.

If you want to keep some money as cash that's fine too. You can make withdrawals when you want to.

But if you're looking for a low risk place to put your cash while giving it the opportunity to grow, a Cash ISA might be more suitable.

PAY IN UP TO

£20,000

Each tax year

JUNIOR STOCKS AND SHARES ISA

A parent or legal guardian can open a Junior Stocks and Shares ISA for a child under 18. Anyone can add money into it – for example grandparents, friends and relatives.

It works the same as a regular Stocks and Shares ISA, and is a tax efficient way to save or invest for a child's future.

Like all ISAs they're free from UK income and capital gains tax, but the limit on how much can be paid in each year is different. For the 25/26 tax year it's £9,000.

You also won't be able to withdraw any money until the child turns 18.

This doesn't count towards your own £20,000 ISA allowance.

When the child turns 18, their ISA will become a regular Stocks and Shares ISA, and they'll be free to make withdrawals, or continue to save and invest themselves.

PAY IN UP TO

£9,000

Each tax year towards a child's future

LIFETIME ISA

If you're between 18 and 39 you can open a Lifetime ISA, which offers a flexible way to save or invest for your first home and/or later life.

Each tax year, up until your 50th birthday, you can put in up to £4,000, and the government will add an extra 25%. This means you could get up to £1,000 extra a year, which could help to boost your savings.

Any time after 12 months, you can withdraw your money to buy your first home (which must be in the UK with a purchase price of £450,000 or less), or you can wait until you're 60 and take your money out to supplement your retirement income.

A LISA can complement a pension when saving for later life. But if you opt out of your workplace pension to pay into a LISA instead, you will not benefit from any employer contributions to that scheme and it may affect your entitlement to means-tested state benefits.

As with other ISAs your money can grow free from UK income and capital gains tax, and there is a wide range of investments available.

Your investment choices will probably depend on when you plan on taking the money out though. If it's within five years, then cash is likely to be your best option. If it's longer, and you're happy with the risks, then you might want to think about investing in the stock market.

If your plans change and you don't use these savings to buy your first home, and you want to take money out before you're 60, a 25% government withdrawal charge will usually apply. This could mean you get back less than you originally put in, so be certain before you make any withdrawals.

UP TO

£1,000

Extra every year

CASH ISA

If you are putting money aside for short to medium term goals, you might consider opening a Cash ISA. Unlike investing, interest from cash savings accounts will always provide a return.

If you don't need regular access to your cash and you can wait to access it at a later date, you could open a fixed rate Cash ISA. You might get a higher interest rate but usually you can't withdraw your money until the term has ended. If you want the cash at your fingertips, you could open an easy access Cash ISA.

The HL Cash ISA gives you access to both options through one login. You can spread your money between banks and products in whichever way suits your needs.

If your interest rate is lower than the rate of inflation, your money's spending power will reduce over time. Usually, you can't withdraw from fixed rates until the term has ended.

To find out more, visit:
www.hl.co.uk/savings/cash-isa

ARE YOU A SPOUSE OR CIVIL PARTNER?

The additional ISA allowance

If you're the spouse or civil partner of the person who's died, and they held an ISA, you'll be entitled to an Additional Permitted Subscription (APS) allowance.

The APS allows you to make additional contributions to your own ISAs on top of the standard annual allowance (which is currently £20,000).

You will qualify for an APS with each company your partner held an ISA. This extra allowance can either be used directly with each provider, or transferred to another provider.

HOW MUCH WILL IT BE?

If your partner died before 6 April 2018, your APS will be equal to the value of their ISAs on the date they died.

For example, if a person died on 5 April 2018 and the value of their ISAs on this date was £50,000, the total amount their spouse could pay into their own ISAs would increase to £70,000 (standard £20,000 allowance plus an extra £50,000 APS allowance) for the 2025/26 tax year.

If your partner died on or after 6 April 2018, your APS will be equal to the value of their ISAs at their highest value, either as at the date of death or the earliest of:

- date the administration of the estate completes
- 3rd anniversary of death
- date the ISA is closed

For example, if a person died after 6 April 2018 with an ISA value of £50,000 and by the date the ISA is closed this value grew to £55,000, the total amount their spouse could pay into their own ISAs would increase to £75,000 (standard £20,000 allowance plus an extra £55,000 APS allowance) for the 2025/26 tax year.

If your spouse or partner held an HL ISA, we will always confirm the value as at the date of death to the personal representative dealing with the deceased's estate.

Please call us on **0117 906 7806** for valuations as at any other date.

DEADLINES

Your APS allowance doesn't need to be used in one go, and can be spread across multiple tax years as long as you use it within the deadlines below.

Cash

You can use the APS to pay into your ISAs using cash of your own, or cash inherited from your partner's ISAs or other accounts.

The time limit for making cash contributions using the APS ends three years after the date of death, or within 180 days of the completion of the administration of the estate if this is later.

Investments

Any investments previously held in your partner's HL ISAs can be transferred directly into your own HL ISA using the APS.

You must apply to transfer within 180 days of becoming beneficially entitled to your partner's ISA investments. This is from the date the personal representatives confirm the assets are in your ownership.

HOW TO APPLY FOR AN APS

To apply for APS, the personal representative(s) of the estate needs to complete the Estate Release Form for the deceased's ISA. They'll have been sent this by our Estates Team. The spouse or civil partner also needs to complete the Additional Permitted Subscription Form – this will also have been sent to the personal representative.

If you need copies of these forms, or help completing them, please call our helpdesk on **0117 906 7806**.

INVEST IN A FUND AND SHARE ACCOUNT

With no limits on how much you can invest

Choosing to transfer, or re-invest, your inheritance into a Fund and Share account allows you to buy, sell and hold investments in one place. It's designed for long-term investing, but you can also make cash withdrawals when you need to.

Unlike an ISA, you can pay in and invest as much as you like each year, there's no restriction.

Any income or growth you make on your investments is taxable, but if you've used up all your ISA allowance, this might be the next best option.

For more information on charges please see page 22.

You can apply to transfer your inherited benefits to a Fund and Share account online at **www.hl.co.uk/fund-and-share**

If you need some help or you'd like a paper form to open an account, please call us on **0117 321 4176**.

ACCOUNT FEATURES

- Flexible
- Wide investment choice
- No limit on how much you can invest each year
- Access your money at any time

START ACTIVE SAVING

Get your cash working harder, without the hard work

If you're looking to keep some of your inheritance in cash, our Active Savings service could help you make more of your money.

With Active Savings you can pick and mix easy access and fixed term savings products. Choose from a range of different UK banks and building societies, all through the convenience of one online account. A Cash ISA is also available through the Active Savings service.

Once you're set up there are no forms or paperwork when you want to move your money around, everything can be managed online. And with competitive interest rates on offer it's simple to ensure you're consistently earning a good return.

What's more, your Active Savings account can be managed alongside any investments you hold with HL, so you can easily see everything together at-a-glance.

Remember, using fixed term cash savings can potentially give you a higher rate of interest than easy access saving accounts, but you need to be happy for your money to be tied up until the maturity date and if your interest rate is below the rate of inflation it can reduce the future spending power of your money.

If you'd like to find out more about this service please visit **www.hl.co.uk/savings**.

For information on charges please see page 22.

ACCOUNT FEATURES

- One easy-to-use online account
- Choose easy access and fixed term savings
- Tax efficient Cash ISAs available
- Pick products from a range of banks and building societies
- No forms or paperwork when you move your money around

INVEST IN A SIPP

Flexible, tax efficient and under your control

A self-invested personal pension (SIPP) is a flexible type of pension which can give you more investment choice than traditional personal pensions.

Having a wider choice can make a significant difference to your retirement income, because the investments you choose, and their performance, can have a big impact on the size of your pension pot. However, you need to be comfortable making your own investment decisions. If you're unsure you should seek advice.

Like other pensions, a SIPP is tax efficient because your money can grow free from UK capital gains and income tax. Plus, if you're under 75 and a UK resident, the government will add at least an extra 20% in tax relief.

Once you're 55 (rising to 57 from 2028) you can normally start making withdrawals. Though you might decide you don't need to until later.

When you do decide to access your pension, you can usually have up to 25% paid to you tax free and choose between three main options for income.

You could choose to exchange your pension savings for an annuity (which pays a regular, guaranteed income for life), or keep them invested and withdraw an income as and when you like (either through drawdown or by taking lump sums). Income payments are taxable.

Make sure you consider how long you need your pension to last and how withdrawals could affect your tax situation before making any decisions.

The government's free and impartial Pension Wise service can offer guidance on the options available. Visit **www.pensionwise.gov.uk** for more information.

Pension and tax rules do change and the value of benefits will depend on your situation.

HL SIPP

If you choose to re-invest your inheritance into the HL SIPP, you'll have the flexibility to choose your own investments and easily monitor their performance.

You can start a SIPP with as little as £100 or choose to set up regular payments from £25 a month.

Anything left over in your SIPP when you die can be passed on to your beneficiaries (completely tax-free in some cases). Although the government are proposing that from April 2027 most pensions will no longer be exempt from Inheritance Tax.

For more information on charges in the HL SIPP please see page 22.

TAX RELIEF AND PENSION ALLOWANCES

Tax relief

In basic terms, this is a top-up from the government. Each time you pay money into your pension, you'll automatically receive 20% in tax relief. And if you pay a higher rate of tax, you'll usually be able to claim back more through your tax return.

You can receive tax relief on anything paid into your pension up to the amount you earn.

If you have no earnings you can pay in up to £2,880 and the government will top this up to £3,600.

Annual Allowance – usually £60,000

This is the maximum total that can be paid into all your pensions each tax year, including tax relief. A tax charge will normally apply to anything over this allowance.

Higher earners, people who've already accessed a pension and those who have unused allowances from previous tax years, could have different limits.

To get tax relief, your personal contributions can't be any higher than your earnings, or £3,600 if this is greater.

To find out more visit **www.hl.co.uk/pensions/contributions**

INHERITING BENEFITS FROM A SIPP

Your specific options, plus a bit about tax

The HL SIPP is a discretionary trust and the monies in it normally fall outside the deceased's estate. Meaning they typically won't be subject to inheritance tax. Although the government have proposed changes to these rules from April 2027.

The scheme administrator will decide who the beneficiaries of the deceased's SIPP are, and will make their decision based on the details given on our information request form, in the deceased's Will (if applicable) and on our SIPP nomination record.

If you inherit benefits held in the SIPP you'll normally have the option to receive everything as cash or keep it invested, but rules surrounding tax could have a significant impact on your decisions. In some cases receiving the money as a cash lump sum may be the only choice available.

Remember pension and tax rules can change and benefits will depend on your circumstances.

From 2027, where an estate is valued over the Inheritance Tax Threshold, some pensions may be subject to inheritance tax.

1. Take a cash lump sum

Everything held in the SIPP can normally be paid out as a lump sum to any beneficiary.

But before we can sell investments and make the payment, we'll need a settlement of benefits form to be completed and returned, including bank account details and proof of ownership.

If the payment is being made directly to you as a beneficiary, we may need to verify your identity, which can be done electronically using an external reference agency. Failing this we'll need additional documents from you, such as proof of name and address.

2. Exchange the fund for a secure income (an annuity in your own name)

An annuity will pay you a secure, regular income for the rest of your life, although in some circumstances it may stop on your 23rd birthday if you're under 23.

How much you get will depend on your age and the value of the fund you use to buy the annuity. Confirming health and lifestyle details, like whether you smoke and how much you weigh, can mean you qualify for enhanced rates, so you could receive a higher income.

If you're considering this option, let us know. Rates vary between different annuity providers and we can get quotes from across the market to help you find the best rates available. This is important because once set up, annuities can't be changed.

3. Keep the fund invested (in an HL drawdown SIPP, in your own name)

Keeping the fund invested and transferring it into your own HL drawdown account gives you the opportunity to grow your inheritance through investment returns.

You're also free to make withdrawals as and when you like, choosing your own investments and income strategy – you're in control.

Of course, all investments can fall and rise in value, so if your investments don't perform as you hope or you withdraw too much too soon, your pot could run out quicker than you intended. It's a higher risk option so isn't right for everyone.

Your beneficiaries will normally have the same options as you did with any money left over in the account when you die. Making this option an attractive tax efficient choice for those looking to keep wealth within the family.

If you're considering this option please let us know, and we'll provide you with an illustration showing the potential effects of charges and various investment growth rates on your drawdown benefits over time.

Note, if you already have a drawdown account with HL these benefits will be held in a separate arrangement from your existing drawdown funds.

TAX

If the person who died was under 75

Any withdrawals you make will normally be tax free, providing benefits are paid to the beneficiaries within two years (from the date we're notified of the investor's death). If later, then any withdrawals you make will be taxed at your marginal rate.

If the person who died was 75 or over

Any withdrawals you make will be taxed at your marginal rate.

THE LIFETIME ALLOWANCE

There used to be a limit to the total value of pension benefits you could build up throughout your lifetime and generally receive up to 25% tax free. This limit was known as the lifetime allowance and was set at £1,073,100 for most people. However, from 6 April 2024, the lifetime allowance was abolished and replaced with three different allowances. These are the lump sum allowance, the lump sum and death benefit allowance, and the overseas transfer allowance.

The lump sum and death benefit allowance

The lump sum and death benefit allowance applies to payments that use up the lump sum allowance (see link below) as well as the tax-free element of serious ill health lump sums and certain non-taxable lump sum death benefits. For most people, this allowance will be £1,073,100. Where someone took benefits or used up lifetime allowance prior to 6 April 2024, their starting allowance may be lower.

When someone dies under the age of 75, most lump sum death benefits paid to beneficiaries will be measured against the deceased individual's lump sum and death benefit allowance. Any part of the lump sum that exceeds the remaining allowance will be subject to income tax at the beneficiary's marginal rate. Funds inherited as a beneficiary's drawdown or beneficiary's annuity are not subject to the new allowances.

To find out more about these allowances, visit **www.hl.co.uk/new-lump-sum-allowance**

WHY CHOOSE HL?

We put you first

Empowering you to save and invest with confidence is our key aim.

As a secure company, the safety of your assets is a priority too.

LOW COSTS

It's free to open any of our accounts and there's no charge for making withdrawals.

For our Stocks and Shares ISA, SIPP and Fund and Share accounts, there is a maximum annual management charge of 0.45% per account. The maximum annual management charge for our Lifetime ISA is 0.25%. There is no management charge for our Junior ISA.

Individual investments, such as funds, may have their own charges in addition to our account charge. You can find out what these charges are by looking at the key investor information documents for each investment you choose.

To buy and sell UK shares there's a maximum fee of £11.95 per deal online, and no dealing charge for funds. Different charges apply for phone dealing and overseas dealing.

We don't charge for investing by direct debit or automatic reinvestment. This applies to FTSE 350 stocks, selected investment trusts and ETFs.

For Active Savings we don't charge you directly, instead we charge our banking partners. This means the same, or similar, products offered directly by the banks and building societies may have different interest rates to those available on Active Savings.

You can find our full tariff of charges in our terms and conditions available online at **www.hl.co.uk/terms-and-conditions** or by calling us on **0117 900 9000**.

- ✓ **Expert help is only a phone call away**
  Call **0117 900 9000** and you'll speak to a knowledgeable person.

- ✓ **24-hour online access**
  Monitor your accounts around the clock and place investment instructions with a click on our website, or a swipe of a finger on our mobile and tablet apps.

- ✓ **Pick and mix the level of help you need**
  You can manage your accounts yourself or pay an adviser to manage them for you.

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