

Death of investor example

Mrs Jones dies on 10 May 2019, she has a Lifetime ISA with an ISA manager who is told of her death on 20 May 2019. The total value of her Lifetime ISA (including government bonuses paid) is £5,500.

However, Mrs Jones made a subscription of £500 into her Lifetime ISA on 20 April 2019 on which a further government bonus of £125 is due. The ISA manager can include this bonus in the next claim to HMRC. The bonus can be added to the account increasing its balance to £5,625.

The personal representatives of Mrs Jones do not want to close the Lifetime ISA and it can continue to benefit from the ISA tax advantages during the administration of her estate. No more subscriptions or payments can be made into the account and no government bonuses are due.

On 30 September 2019 the ISA manager receives instructions to close the Lifetime ISA. The additional permitted subscriptions that her spouse is entitled to from this Lifetime ISA is £5,625 + any accrued interest or growth earned up to 30 September 2019.