



A NISA WAY TO SAVE AND INVEST

Have you taken advantage of your larger tax-efficient allowance?

The new Individual Savings Account (ISA) rules were introduced in July 2014, giving savers and investors more flexibility and a larger tax-efficient allowance than ever before. Four out of ten people told the consumer organisation Which? that they would save more as a result of the annual limit increasing to £15,000, up from £11,880.

Over the previous 15 years, more than 23 million people have opened ISAs, totalling over £440 billion, according to HM Revenue & Customs.

The increase in the total amount you can save and invest in what are now called New Individual Savings Accounts (NISAs) is not the only change since July.

DID YOU KNOW?

1. You can decide how you want to split the £15,000 between the Cash and Stocks & Shares parts of a NISA
2. Or you can allocate the whole £15,000 into either a Cash or Stocks & Shares NISA. Previously you could only put up to half the annual ISA allowance into a Cash ISA
3. You can move your money from a Stocks & Shares NISA into a Cash NISA, or vice versa. Previously you couldn't move money from a Stocks & Shares ISA into a Cash ISA

NEW FLEXIBILITY AND HIGHER LIMITS

You pay no tax on the interest you earn in a Cash NISA
With a Stocks & Shares NISA, you pay no capital gains tax on any profits and no tax on interest earned on bonds.
The dividends paid on shares or funds do have the basic rate of 10% tax deducted. This means that higher and additional rate taxpayers don't have to pay their higher rate of tax on their dividend payments

IT'S NEVER TOO LATE TO START SAVING

If you've already paid into an ISA in this current 2014/15 tax year, you can top it up to the new limit if your provider

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allows – each account provider will have different deadlines by which date all requests to increase amounts must be processed.

If you want to add more money and your provider doesn't allow it, if appropriate you could transfer your existing Cash ISA to another provider that will allow top-ups. You'll need to check first whether there are any penalties for transferring to another provider.

Another alternative if you've opened a Cash ISA and not fully utilised your allowance at the start of this tax year is to open a Stocks & Shares NISA to use the rest of your allowance. Remember, you are only allowed to open one Cash NISA and one Stocks & Shares NISA in one tax year.

'Make the most of an increased NISA allowance of £15,000'





WHAT ARE THE NISA RULES AND LIMITS?

The total amount you can save or invest in NISAs for the 2014/15 tax year is £15,000. You can choose to save up to your full allowance into a Cash NISA, or invest in a Stocks & Shares NISA or a combination of both, providing you don't invest more than £15,000 in total during the 2014/15 tax year.

HERE ARE SOME EXAMPLES OF HOW IT COULD WORK:

Cash NISA	Stocks & Shares NISA	Total NISA Allowance
£0	£15,000	£15,000
£7,500	£7,500	£15,000
£15,000	£0	£15,000

You can only open and pay money into one Cash NISA and/or one Stocks & Shares NISA each tax year.

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PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST

Whether you're putting money away for a rainy day or saving for something special, find out what you'll need to think about so that you make the right choice – to find out more, please contact us.