

Independent Advisers (Scotland) Ltd

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New Individual Savings Accounts

A NISA way to grow your tax-efficient wealth

In his 2014 Budget speech, the Chancellor, George Osborne, announced that Individual Savings Accounts (ISAs) would be reformed into a much simpler product, the NISA. Furthermore, all existing ISAs would be automatically converted to a NISA.

SUBSCRIPTION LIMIT

The current overall tax-efficient allowance set by the Government for 2015/16 is £15,240. It is possible for subscriptions to be split in any proportion between a new Cash NISA and new Stocks & Shares NISA. You now have more choice about where to put your money: invest it all in a Cash NISA, split it however you want between a Cash NISA and Stocks & Shares NISA, or invest the full tax-efficient allowance in a Stocks & Shares NISA.

Cash NISAs have the guarantee that you'll never be left with less money than you paid in (subject to staying within the £85,000 Financial Services Compensation Scheme limit). Stocks & Shares NISAs don't offer this security and are instead seen as a riskier investment, while offering the potential for great growth.

You don't legally pay tax on any income or capital gains proceeds that you've made on your investments, and if you complete a tax return, you don't even need to declare any interest or profits on it.

INCREASED FLEXIBILITY IN THE WAY YOU USE YOUR NISA ALLOWANCE

You can:

- Invest the full £15,240 in a Stocks & Shares NISA
- Invest the full £15,240 in a Cash NISA
- Invest any combination of amounts between a Stocks & Shares NISA and a Cash NISA up to the £15,240 limit

WHO CAN OPEN A NISA?

You must be:

- 16 or over for a Cash NISA
- 18 or over for a Stocks & Shares NISA
- Resident in the UK
- A Crown servant (for example, diplomatic or overseas civil service) or their spouse or registered civil partner if you don't live in the UK
- You can't hold a NISA with or on behalf of someone else.



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TRANSFERRING NISAS

You can still transfer NISAs from one provider to another at any time if you are looking to consolidate your investments or want to transfer between Cash NISAs and Stocks & Shares NISAs. The new NISA rules give you total flexibility to do this. Transferring previous tax year ISAs to a new provider does not count as another NISA contribution, so if you have built up a number of ISAs with several providers over the years, bringing them together under one roof will enable you to gain control and ensure they keep working in line with your objectives and risk appetite.

MOVING ABROAD

If you open a NISA in the UK and then move abroad, you can't put money into it after you move (unless you're a Crown employee working overseas or their spouse or registered civil partner). However, you can keep your NISA open, and you'll still get UK tax relief on money and investments held in it. You can pay into your NISA again if you return and become a UK resident (subject to the annual NISA allowance).

IF YOU DIE

Your NISA ends on the date of your death. There will be no Income Tax or Capital Gains Tax to pay up to that date, but NISA investments will form part of your estate for Inheritance Tax purposes.

Your NISA provider can be instructed to sell the investments and either:

- Pay the proceeds to the administrator or beneficiary of your estate
- Transfer the investments directly to them

WANT TO SHELTER £15,240 FROM TAX, OR £30,480 COMBINED WITH YOUR SPOUSE OR REGISTERED CIVIL PARTNER?

If you're thinking about saving or investing, we can help you understand your NISA options. To find out more about where you can invest in your tax-efficient NISA, please contact us for further information.

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