

Carter Moore

Financial Advice &
Wealth Management Ltd

FINANCIAL GUIDE

A GUIDE TO
**NEW INDIVIDUAL
SAVINGS ACCOUNTS**
THE NISA WAY TO GROW YOUR
TAX-EFFICIENT WEALTH

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GUIDE TO NEW INDIVIDUAL SAVINGS ACCOUNTS

The NISA way to grow your tax-efficient wealth

If you are keen to take advantage of the New Individual Savings Account (NISA) allowance, increased to £15,000, and make the most of your tax-efficient savings, time is running out. You only have until 5 April to fully utilise your 2014/15 NISA allowance, after which it will be lost forever.

MUCH SIMPLER PRODUCT

In his 2014 Budget speech, the Chancellor, George Osborne, announced that from 1 July last year ISAs would be reformed into a much simpler product, the NISA. Furthermore, all existing ISAs would be automatically converted to a NISA.

OVERALL SUBSCRIPTION LIMIT

From 1 July 2014, the overall subscription limit set by the Government for 2014/15 increased from £11,880 to £15,000. It is now possible for new subscriptions to be split in any proportion between a new Cash NISA and new Stocks & Shares NISA. Therefore, 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 subscription allowance in a Stocks & Shares NISA.

Your NISAs won't close when the tax year finishes. You'll keep your savings on a tax-efficient basis for as long as you keep the money in your NISA accounts.

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 NISA interest or profits on it.

INCREASED FLEXIBILITY IN THE WAY YOU USE YOUR NISA ALLOWANCE

You can:

- Invest the full £15,000 in a Stocks & Shares NISA
- Invest the full £15,000 in a Cash NISA
- Invest any combination of amounts between a Stocks & Shares NISA and a Cash NISA up to the new £15,000 limit

WHO CAN OPEN AN 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.

UNUSED NISA ALLOWANCE

Any contributions made into a NISA from 6 April this tax year will count against your new NISA limit for 2014/15. If you already have a Cash or Stocks & Shares ISA, your existing ISA will turn into a New ISA and your annual limit will automatically increase to £15,000.

You can get a Junior NISA for children under 18. Junior NISA limits also increased to £4,000 from 1 July last year. So again, if you have any unused allowance for this year, you will be able to top-up contributions on or before 5 April.

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 £15,000 FROM TAX, OR £30,000 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 before 5 April 2015.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

IS IT TIME TO BE MORE TAX-EFFICIENT WITH YOUR MONEY?

Remember that any unused NISA allowances cannot be carried forward to the next tax year. To take full advantage of your 2014/15 tax-efficient NISA allowance, or to find out more about how we can help you grow your wealth or income requirements, please contact us.

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