

Are you making the most of your ISA allowance?

As it's been £20,000 since the 2017/18 tax year, the tax-saving potential of Individual Savings Accounts (ISAs) is greater than ever. **You can invest up to £20,000 a year in an ISA either in a single lump sum or in stages at any time during the tax year.** There is no Income Tax on interest or dividends you receive from investments within your ISA and any profits generated are also free of Capital Gains Tax.



We can help you achieve a tax-efficient financial plan by providing advice that's based on a thorough understanding of your personal circumstances and goals. Please get in touch to find out more.

Who can open an ISA?

You must be:

- **16 for a cash ISA and 18 or over for a stocks and shares ISA**
- **resident in the UK (or a Crown servant, eg. diplomatic or overseas civil service, or their spouse or civil partner if you don't live in the UK)**
- **investing on behalf of yourself - you can't hold an ISA with or on behalf of someone else.**

What can you invest in?

The range of ISAs available include cash ISAs (designed to hold cash and cash-like products) and stocks and shares ISAs, which can hold different types of investment product including the following:

- shares in companies
- unit trusts and investment funds
- corporate bonds
- government bonds

We have access to a comprehensive range of investment funds for you to invest in – carefully selected to match your attitude to risk and capacity to accept any investment losses.

Making withdrawals

You can take your money out of your ISA at any time, without losing any tax benefits.

Alongside the higher annual allowance, you can now also take out cash then put it back in during the same tax year without reducing your current year's allowance. To be able to do this your ISA needs to offer this flexibility – not all do currently.

Example

Your allowance is £20,000 and you put £10,000 into an ISA during the 2022/2023 tax year. You then take out £3,000 during the same tax-year.

The amount you can now put in during the same tax year is:

- £13,000 if your ISA is flexible (the remaining allowance of £10,000 plus the £3,000 you took out)
- £10,000 if your ISA is not flexible (just the remaining allowance)



Transferring your ISA

You can transfer your Individual Savings Account (ISA) from one provider to another at any time. If you want to transfer money you've invested in an ISA during the current year, you must transfer all of it. For money you invested in previous years, you can choose to transfer all or part of your savings.

What happens to your ISA if you die?

Your ISA ends on the date of your death. There will be no Income Tax or Capital Gains Tax to pay up to that date but most¹ ISA investments will form part of your estate for Inheritance Tax purposes.

Your ISA 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

And what happens if your spouse or civil partners ISA if they die?

If your spouse or civil partner died on or after 3 December 2014, you can inherit their ISA allowance.

As well as your normal ISA allowance, you can add a tax-free amount up to the value they held in their ISA when they died.

¹AIM ISA investments are now available which may mean the value is outside of your estate for Inheritance Tax if held for a minimum of two years.

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This information is based on our current understanding of the rules for the 2022/2023 tax year. The tax efficiency of ISAs is based on current rules. The current tax situation may not be maintained. The benefit of the tax treatment depends on the individual circumstances.

The value of your stocks and shares ISA and any income from it may fall as well as rise. You may not get back the amount you originally invested. Contains public sector information licensed under the Open Government Licence v3.0 Although there is no fixed term, you should consider a stocks and shares ISA to be a medium to long term investment of ideally five years or more.