

Why top up my ISA

April 2018

Your ISA is a tax-efficient savings and investment vehicle. There are two main types - a cash ISA, which is like a savings account offered by banks and building societies and is available to open from age 16; and a stocks and shares ISA, which invests in stockmarkets normally through a collective investment such as a unit trust or investment trust through quality investment fund managers. These are available to anyone over the age of 18.

Putting it simply, it's a savings account you won't pay tax on, it's as simple as that. You can save up to a maximum of £20,000 in 2018/19, and this can be in a cash ISA, a stocks and shares ISA.

Since July 2015, the rules were almost completely relaxed. Although you still have a limit to the amount you can save - £20,000 from 6 April 2018 - you now get to choose how you split this between stocks & shares, cash ISAs

One of the new rules is that cash you withdraw from a flexible ISA can be replaced during the same tax year and this won't count towards your annual ISA allowance. This is known as ISA flexibility.

There is no limit to how much the value of your ISA can grow; however, the value of your investments can fall as well as rise and you may get back less than you initially invested. The value of tax allowances depend on your own circumstances and ISA benefits may change in the future. Investing is not for everyone, if you are unsure please speak to us.

Rather than topping up at the last minute every tax year, we can make it easy for you by arranging for your ISA to receive regular direct debits for £50 or more.