



## The New ISA

*The government announced in the Budget 2014 that from 1 July 2014, ISAs will be reformed into a new simpler product, the "New ISA" (NISA) with equal limits for cash, and stocks and shares. From 1 July 2014 the NISA limit will be £15,000 – the biggest ever increase to ISA limits.*

The limits for 2014-15 are being introduced in two stages:

- From 6 April 2014 to 30 June 2014, the previously announced changes set the overall ISA limit at £11,880 with a cash ISA maximum of £5,940
- From 1 July 2014 all existing ISAs automatically become NISAs, able to receive further money to either cash or stocks and shares components up to the new £15,000 limit

Individuals may open one Cash NISA and one Stocks and Shares NISA each tax year. However, once open the NISAs may be transferred between providers any number of times. It will be possible to hold tax-free cash within a Stocks and Shares NISA if the provider allows this. It is likely that many savers may prefer to hold separate accounts for cash, and stocks and shares.

Any money held in a Stocks and Shares NISA can be transferred to a Cash NISA and vice versa. Such transfers need to be done between the providers otherwise personal deposits may count as a fresh payment against the overall NISA limit of £15,000.

Savers aged between 16 and 18 can hold a Cash NISA with up to £15,000 but cannot open a Stocks and Shares NISA. This is in addition to any amounts paid into a Junior ISA, for which the annual investment limit has been increased to £4,000 for 2014-15.

## Contact us and speak to a Partner for more information

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