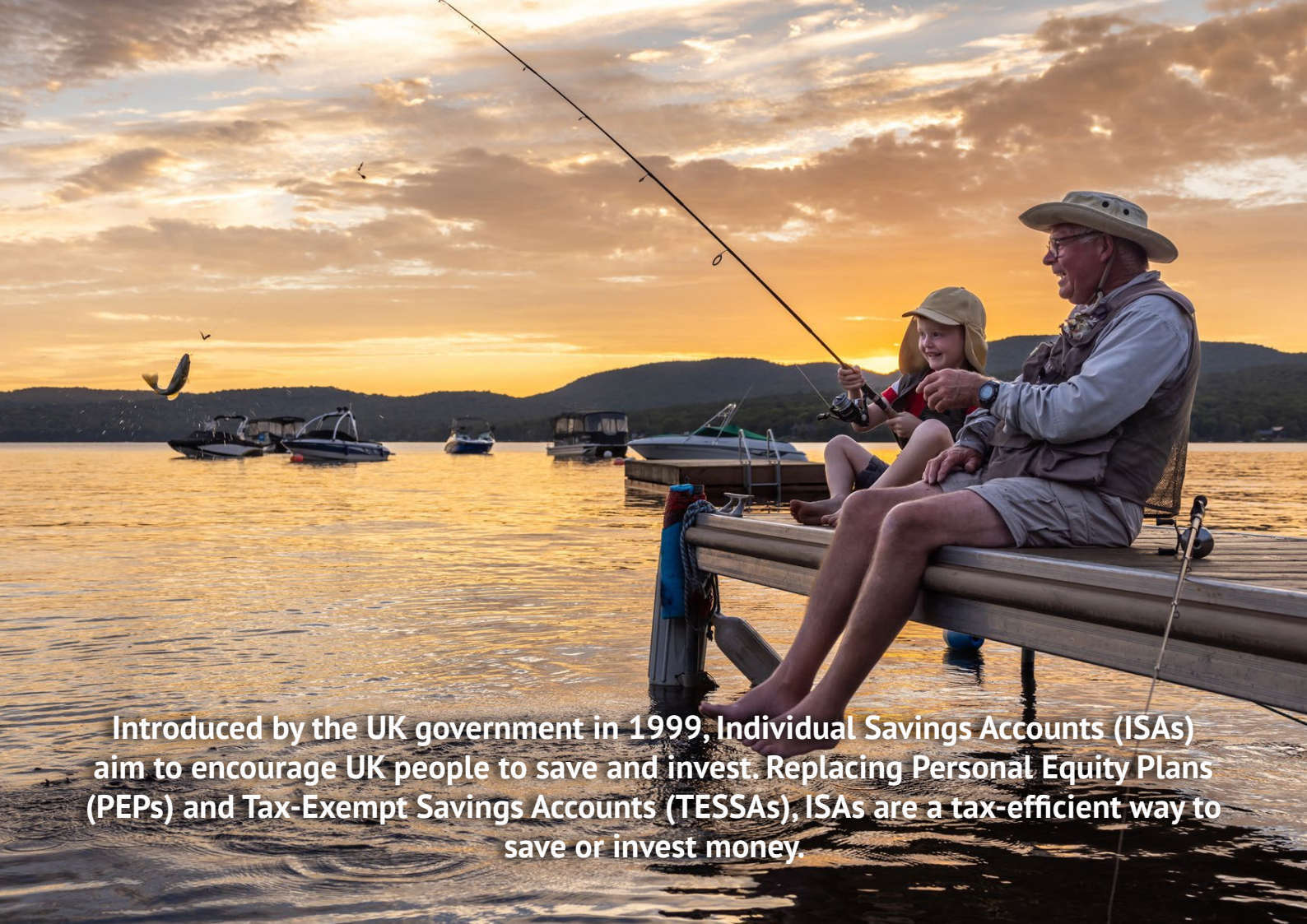


# STOCKS AND SHARES ISA GUIDE



Introduced by the UK government in 1999, Individual Savings Accounts (ISAs) aim to encourage UK people to save and invest. Replacing Personal Equity Plans (PEPs) and Tax-Exempt Savings Accounts (TESSAs), ISAs are a tax-efficient way to save or invest money.

## Different types of ISAs

**There are 4 main types of ISAs:** Stocks and Shares ISAs (also known as Investment ISAs), Cash ISAs, Innovative Finance ISAs, and Lifetime ISAs.

You can open and pay into multiple ISAs in the same tax year (excluding Lifetime ISAs) if you're a **UK tax resident**, are aged **over 18**, and **haven't used your full allowance** yet. Also, you can transfer existing ISAs from previous tax years without affecting your current tax year's allowance.

### Investment ISA

Also known as a [Stocks & Shares ISA](#), an Investment ISA allows you to invest your money in assets, like shares, bonds, or property, without paying any Capital Gains Tax or Income Tax on your potential returns. An Investment ISA may be useful in helping you to fund long-term projects, like buying a new house and preparing for your later life.

### Cash ISA

With a Cash ISA, you don't pay tax on the interest you earn as you save, meaning your money could have more potential to grow than it typically would in a traditional savings account. However, when inflation is higher than the interest you get, your money is losing value faster than it's growing. So, whilst a Cash ISA can be a great way to save money to cover unexpected expenses, it might be worth considering which is the best option for long-term financial growth, if that's what you want to achieve.

### Innovative Finance ISA

When you hold an Innovative Finance ISA, you lend your money via online Peer-to-Peer lending platforms with approved borrowers committing to reimburse you and pay you interest on the loan. Typically, these interest rates are higher than Cash ISA interest rates but Innovative Finance ISAs are riskier since borrowers can default and fail to pay you back.

### Lifetime ISA

A Lifetime ISA can hold either cash, or investments, or both. If you're under 40, the total amount you can put in a Lifetime ISA is £4,000 annually. You can keep paying into it until you're 50 and you'll receive a 25% bonus from the government on your deposits (in other words, a £1 bonus for every £4 you put in). But the rules of a Lifetime ISA are quite strict, and you can only withdraw your money to buy your first home, or after you turn 60.



# Your annual ISA allowance

## How much can you contribute to an ISA?

Your annual allowance is the total amount you can save or invest in an ISA during a given tax year. This limit changes from time to time, but currently, you can put up to £20,000 in an ISA (except for a Lifetime ISA where you can contribute up to £4,000 in each tax year). You can either put all your allowance in one ISA, or you can split your allowance between a number of ISAs that you hold with different providers.

For example, if your allowance for the tax year is £20,000; you could put all £20,000 in one type of ISA with one provider.

Or, you could save £4,000 with one provider, £10,000 with a different provider, and £6,000 with another provider.

## How long can you use your ISA allowance for?

You have until midnight on the 5th April each year to use your annual allowance, and if you miss the deadline, you'll lose the opportunity to use whatever's left of your tax-efficient allowance. So, make sure you save or invest what you can before the new tax year starts. Also, the deadline might be closer than you think as it can take time for your money to reach your new ISA providers, so it's worth checking first.

## How do ISA transfers affect your annual allowance?

### ISAs opened in previous tax years (on or before 5th April):

Your annual ISA allowance isn't affected when you move your old ISAs (from previous tax years) to another provider. Let's imagine your current year's allowance is £20,000 and you've used £5,000 so far. But you'd like to get your finances in shape and want to put all of your past ISAs in one place.

You can transfer as many of your ISAs from previous tax years (that's any ISA that you opened before the start of the current tax year – 6th April) as you wish. Your remaining balance for the current tax year will not be affected by this

and will leave you with a remaining allowance of £15,000 to save or invest if you choose to.

### ISAs opened in this tax year (from 6th April):

If you're transferring an ISA opened in the current tax year, it will count towards this year's allowance. So, if you've deposited £3,000 in an Investment ISA you've started this year and decide to transfer it to another provider, you'll still be able to deposit £17,000 in an ISA this tax year.

## Things to consider before you transfer

We won't charge you if you transfer your ISA to us. However, your existing provider might have an exit charge, so be sure to check with them first.

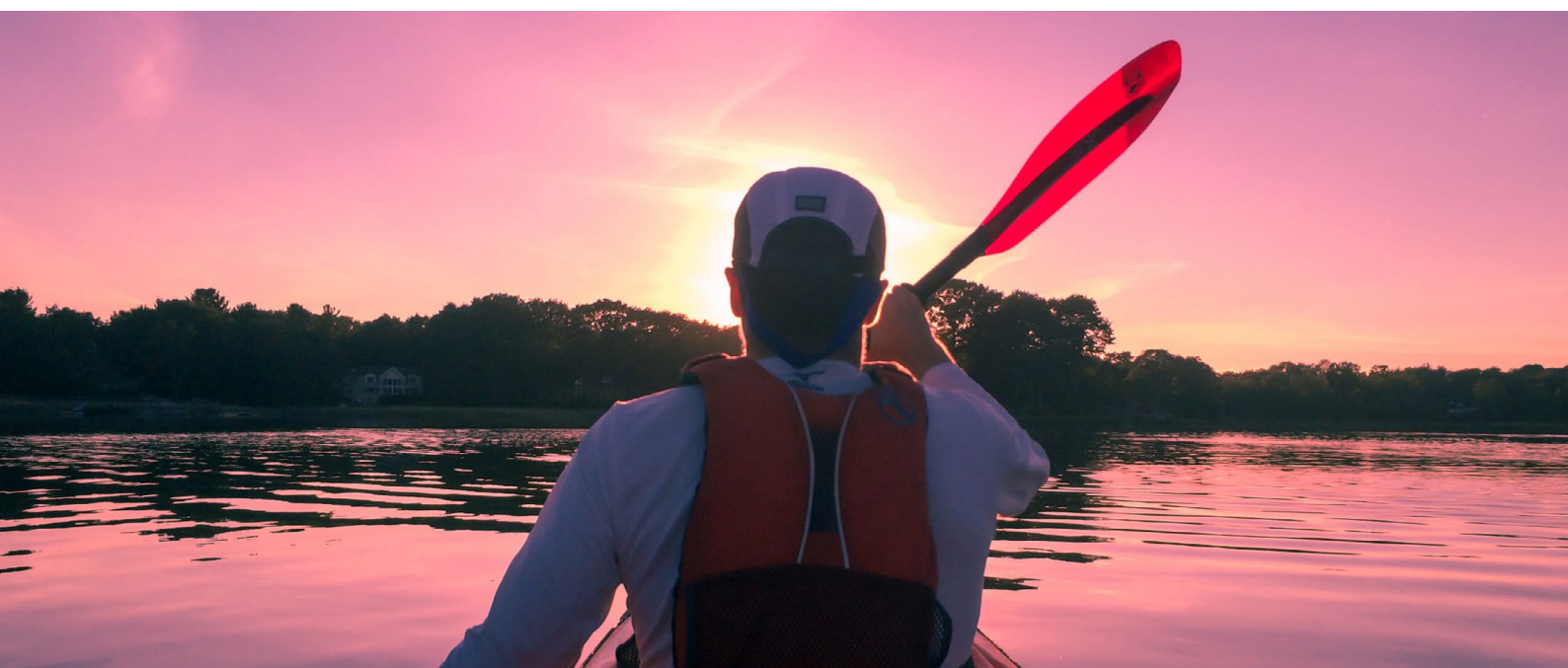
Before transferring your ISA, compare your current fees and charges with ours. Even though we keep our costs as low as possible, you should understand the different fees and charges before making the move, checking that everything makes financial sense for you.

Your ISA will be transferred as cash only, so the existing investments will need to be sold first. As a result, you will not be invested for a period of time – and you'll be 'out of the market' while the transfer takes place.

## How to transfer to a Wealthify Stocks and Shares ISA

If you've opened ISAs with other providers in previous tax years, you can move them to Wealthify at any time. Transferring ISAs makes it easier for you to manage your finances. Also, if you're holding many old Investment ISAs with different providers, you could be paying lots of fees so, completing an ISA transfer could help you keep everything under one set of charges. You can transfer any type of ISA to Wealthify and upon completion, your ISA will become an Investment ISA. When transferring an ISA, you must ALWAYS complete our official ISA transfer form, and we'll take it from there.

Don't withdraw your money in order to transfer it to us or you'll lose this part of your tax-free allowance. If you



# Wealthify Investment ISA

choose to transfer an ISA you've started contributing to this current tax year to Wealthify, keep in mind it counts towards the current year's allowance and you must transfer the full amount. However, some other providers may allow you to make a partial transfer.

## Can you withdraw from an ISA?

Yes, but if you withdraw money you've paid during the current tax year, you will lose that portion of your allowance. For instance, if you have deposited £2,000 in a Cash ISA and £1,000 in an Investment ISA and withdraw £1,000 from your Cash ISA, you'd still have £17,000 left to use from your ISA allowance, not £18,000. However, since April 2016, some providers (not including Wealthify) offer flexible ISAs that allow you to withdraw money and replace the funds without losing any of your tax-efficient allowance. For example, if you need to withdraw £500 but you put it back before the end of the tax year, it'll still have its tax-free allowance intact.

Whilst withdrawing is allowed, it's not always free and some providers can have minimum tie-in periods, meaning you could lose interest payments or be charged extra fees for taking money out of your ISA. So, make sure to check before you withdraw anything.

Wealthify doesn't charge fees to withdraw from your Stocks and Shares ISA, and you can do so at any time.

## What's the difference between an Investment ISA Plan and a General Investment Account (GIA)?

At Wealthify, you can choose between opening a Stocks and Shares ISA or a General Investment Account; there's essentially no difference in the investments picked by our Investment Team to create your Plan. Whatever option you go for, your money gets invested in funds, which are a bit like hampers full of pre-selected investments, however they work in slightly different ways.

If you start a Wealthify Stocks and Shares ISA, the maximum you can invest is your annual ISA allowance (£20,000), whereas a General Investment Account doesn't have a limit, you can put in as much as you can afford. Another difference is that you don't pay Income Tax or Capital Gains Tax on returns with a Stocks and Shares ISA but with a General Investment Account you might have to pay these taxes.

## How to set up a Wealthify Stocks and Shares ISA

Starting a Wealthify Stocks and Shares ISA is very simple and can take less than 10 minutes. All you need to do is enter your details, choose how much you want to put in your Stocks and Shares ISA, how long for, and your risk

profile, from Cautious to Adventurous.

Then, our team of experts will take care of the rest by picking the funds to include in your Investment Plan and managing it daily. You can even create different ISA pots within your Wealthify account to save for different things, like one to save for a house, another one to pay for your children's university, and so on. All you need to make sure is that your combined deposits don't go over your ISA allowance.

## Who can have a Wealthify Stocks and Shares ISA

If you want to open a Wealthify Stocks and Shares ISA, you need to be a UK tax resident aged over 18.

You don't need to be super wealthy to start investing with a Wealthify Stocks and Shares ISA. You can start one with as little as £1, and add funds monthly or whenever you choose. Please remember, you are responsible for keeping track of your remaining allowance.

## Why choose a Wealthify Investment ISA?

We do the hard work for you. Everything you put in a Wealthify Stocks and Shares ISA is looked after by our dedicated Investment Team. Not only do they build you a Plan based on your investment style, they also manage it using their years of experience and extensive knowledge of financial markets to give your money the best chance to blossom. So, you can relax and focus on the things you enjoy, knowing there's someone else making all the investing decisions for you.

Although your investments are managed for you, you keep some control as you can easily check how your Investment Plan is doing 24/7 on any digital device. Also, your money isn't locked away with a Wealthify Stocks and Shares ISA and you can withdraw funds if you need to without penalty.

With a Wealthify Stocks and Shares ISA we charge simple annual fee of 0.6% for managing your investments. As with most investments, other costs can apply but we aim to keep these as low as possible, around 0.16% per year for Original Plans and 0.7% per year for Ethical Plans. [Find out more about Wealthify's fees here.](#)

Wealthify also offers a Personal Pension, a General Investment Account, Junior Stocks and Shares ISA and an Instant Access Savings Account (powered by ClearBank).

## Tax treatments depend on your individual circumstances and may change in the future

**With investing your capital is at risk, so the value of your investments can go down as well as up, meaning you could get back less than you invested.**