



New Rules for ISAs.

The new tax year brings 'new rules' for ISA investors and at last these will help to simplify the multitude of rules surrounding these tax-free investments. Here is your guide to the changes...

The annual ISA investment allowance will be raised to £7,200. Up to £3,600 of that allowance can be saved in cash with one provider. The remainder of the £7,200 can be invested in stocks and shares with either the same or a different provider.

ISA savers will be able to invest in two separate ISAs each tax year; a cash ISA and a stocks and shares ISA. Mini and maxi ISAs will no longer exist.

Mini cash ISAs, TESSA-only ISAs (TOISAs) and the cash component of a maxi ISA will automatically become cash ISAs.

Mini stocks and shares ISAs and the stocks and shares component of a maxi ISA will automatically become stocks and shares ISAs.

All Personal Equity Plans (PEPs) will automatically become stocks and shares ISAs

ISA savers will be able to transfer money saved in their cash ISA to their stocks and shares ISA.

All of this is great and helps the public to gain a better understanding of these tax-free investments. However the annual ISA limit has only grown from £7,000 to £7,200 an increase of less than 3% or roughly in line with RPI. Just imagine, if the Government had increased the ISA limit in line with RPI since their inception in 1999, then we would be enjoying being able to place over £10,000 p.a. into our 2008 ISA. Now that would be something to shout about.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED UPON IT.
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