

NEW CASH ISA LIMITS

As stated in the 2009 Budget Report published on 22nd April 2009, the annual Cash ISA allowance is being increased from £3,600 to £5,100.

There are two implementation stages:

- ◆ If you are aged **50 or over** in this tax year (from 6th April 2009 to 5th April 2010) you may invest £5,100 into a Cash ISA from 6th October 2009 until 5th April 2010.
- ◆ The new limit will become effective on 6th April 2010 for all other savers.

You do not have to wait for your 50th birthday to be eligible for the new Cash ISA limits. As long as your birthday falls within this tax year (dates stated above), you can invest up to the new limit at any time from 6th October 2009.

From 6 October 2009, the total ISA subscription limit will increase to £10,200 for anyone eligible to invest in an ISA who was born on or before 5 April 1960 (that is, who will be aged 50 or over during the current tax year). Up to £5,100 of the new ISA allowance can be saved in a cash ISA with one provider. The remainder of the £10,200 can be invested in a stocks and shares ISA with either the same or another provider. Alternatively, the full £10,200 can be invested in a stocks and shares ISA with one provider.

These higher limits will apply to all eligible ISA investors with effect from 6 April 2010.

You may only pay into one Cash ISA per tax year. You must be 16 or over to invest in a Cash ISA.