

New ISA Rules 2008/09

The start of the 2008 / 09 tax year brought with it a new set of ISA rules which we have summarized below:

- Every UK adult has an annual ISA investment allowance of £7,200.
- Up to £3,600 of the annual allowance can be saved in cash with one provider. The remainder of the £7,200 can be invested in stocks and shares either with the same provider or with one other provider.
- Savers are able to transfer some or all of their money saved in previous tax years from cash ISA'S to Stocks and Shares ISA's without affecting their annual ISA allowance.
- Once money saved in the current tax year is transferred from a Cash ISA to a Stocks and Shares ISA it is treated as if it had been directly invested into a Stocks and Shares ISA in that tax year. The saver is then still able to save up to the full remaining balance of their £7,200 annual ISA allowance in that tax year.
- All PEP accounts automatically became Stocks and Shares ISA's on 6TH April 2008 and became subject to ISA rules.

These new rules which allow for the consolidation of PEP's into ISA's provide a perfect opportunity to re-evaluate old PEP portfolios and assess whether they are working as hard for you as they could be. It may be that your objectives and outlook have changed since you made your original investment and you feel the need to reconstruct your tax efficient portfolio.

If you feel that Mercater can help with your PEP / ISA consolidation please do not hesitate to contact us:

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