

ISA Rules 2010/11

The start of the 2010 / 11 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 £10,200.
- Up to £5,100 of the annual allowance can be saved in cash with one provider. The remainder of the £10,200 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 will then be able to save up to the full remaining balance of their £10,200 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.
- The minimum age for investment into a Cash ISA is now 16 years.
- With effect from 6th April 2011, the annual ISA allowance will be £10,680 for Stocks and ISA's and £5,340 for cash ISA's.

The rules and limits for ISA's change on a regular basis and it is important to re-evaluate old portfolios on a regular basis as well in order to ensure that they are working for you as hard as they should be. It may be that your objectives and outlook have changed since you made your original investment.

If you feel that Mercater could help with your ISA arrangements, please do not hesitate to contact us:

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