

JUNIOR ISA - Investing for your child's future

The Junior ISA (JISA) is the Government's new replacement for the Child Trust Fund. It offers a simple and transparent way to save for your child or grandchild's future. Paying for university fees? Buying their first car? Getting a rung on the first step of the housing ladder? This new savings scheme offers the easiest way yet to build up a pot of money that they can use to get their adult life off to a flying start.

How the Junior ISA works

There are two types of JISA, a cash JISA and a stocks and shares JISA. Your child can have one or both types at any one time.

There is no tax to pay on the income or any profits a JISA makes.

Who the money in the Junior ISA belongs to

The money in the account belongs to your child and can't be taken out until they are 18.

Putting money into a Junior ISA

Anyone can put money into the account. The total amount that can be paid into a JISA in each tax year is £3,600.

Your child can have both a cash and a stocks and shares JISA. If they do, the total amount that can be paid into the two accounts in each tax year is £3,600. For example, £1,000 into a cash JISA and £2,600 into a stocks and shares JISA.

How to open a Junior ISA

If your child is under 16, someone with parental responsibility (for example a parent or step-parent) must open the JISA for them.

Children aged 16 to 18 can open their own JISA. But someone with parental responsibility could still open the account for them.

Managing a Junior ISA

The person who opens the JISA is responsible for managing the account until the child is 16. You can change this to someone else with parental responsibility at any time. You can also change providers or account type at any time.

When your child turns 16 and then 18

When your child is 16 they can manage their own account if they want to.

When your child is 18 they can choose to take the money out of the JISA or invest it in a different type of account. Otherwise the JISA will automatically become an adult ISA.

The JISA is a simple and clean savings scheme. Many clients will be saving into unit trusts designated on behalf of grandchildren and will be familiar with the administrative problems when it comes time to move these investments into the child's name and then into an ISA. These issues simply disappear with the JISA as it automatically becomes an ISA in the child's name at age 18.

We will be offering the JISA from 7th November, initially using a paper application form. The ability to buy online will be following as soon as we can make it available.

All of the normal investment funds will be available, most at no initial charge.

For further details you can:

email: jisa@financialdiscounts.com

call us free: 0500 498 477

