



Comparing the different types of Isas

Individual Savings Accounts (Isas) were introduced in 1999, and are now a key part of a client's financial planning. But they have gradually become more complicated with the addition of new types such as innovative finance and lifetime, new 'products' such as junior Isa (Jisa) and help-to-buy Isa, and new features such as flexible Isa and additional permitted subscriptions (APS).

Below is a summary of the rules to help you and your clients compare different types of Isas.

Isa comparison table

	Type					
	Cash	Stocks and shares	Innovative finance	Lifetime	Junior Isa	Help-to-buy Isa
Structure	Cash	Stocks and shares	Innovative finance	Can be cash or stocks and shares – only one type per tax year	Can invest in both cash and stocks and shares in the same tax year	Only cash
Isas with multiple providers	Can take out a new Isa with a different provider for each tax year	Can take out a new Isa with a different provider for each tax year	Can take out a new Isa with a different provider for each tax year	Can take out a new Isa with a different provider for each tax year	Cannot open a new junior Isa with a new provider even if different tax year (1), but can have a cash Isa and open a junior Isa	Can take out a new Isa with a different provider for each tax year
Subscription limit	£20,000	£20,000	£20,000	£4,000 (current payment limit) (2)	£4,128 (3)	£1,200 in first month, and £200 a month thereafter
Flexible Isa	Yes	Yes (only for cash held)	Yes (only for cash held)	No	No	Yes
Minimum age	16	18	18	18	None	16
Maximum age	None	None	None	Day before 40th birthday to open a plan. Day before 50th birthday to accept subscriptions	17	None
Withdrawal charge	No	No	No	25% of fund value	No	No (4)
Government bonus	No	No	No	25% of current payment limit as subscriptions received	No	25% of subscriptions on purchase of a house (5)



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Isa comparison table continued

	Type					
	Cash	Stocks and shares	Innovative finance	Lifetime	Junior Isa	Help-to-buy Isa
Max government bonus	n/a	n/a	n/a	£32,000	n/a	£3,000
Accepts APS?	Yes	Yes	Yes	Yes – subject to the current payment limit	n/a	Yes
Exceeding the overall subscription limit	Remove the last subscription paid	Remove the last subscription paid	Remove the last subscription paid	The excess subscriptions will be removed from another Isa and not from the lifetime Isa (6)	Remove the last subscription paid	Remove the last subscription paid
Holding two or more Isa types in one year	Subscriptions made to the second Isa have to be returned to the individual	Subscriptions made to the second Isa have to be returned to the individual	Subscriptions made to the second Isa have to be returned to the individual	Subscriptions made to the second lifetime Isa have to be returned to the individual – no withdrawal charge is paid, government bonus is returned to HMRC	Subscriptions made to the second Isa have to be returned to the individual	Subscriptions made to the second Isa have to be returned to the individual
Transferring to another Isa	Can transfer to any other Isa type – subject to current payment limit for transfers to lifetime Isa	Can transfer to any other Isa type – subject to current payment limit for transfers to lifetime Isa	Can transfer to any other Isa type – subject to current payment limit for transfers to lifetime Isa	Can transfer to any other Isa type – withdrawal charge will apply (if not another lifetime Isa)	Can only transfer to another junior Isa. At age 18 the Jisa is automatically transferred to an Isa.	Can transfer to any other Isa type – subject to current payment limit for transfers to lifetime Isa
Transfers in	Yes – from any other type	Yes – from any other type	Yes – from any other type	Yes – but only up to the current payment limit of £4,000	A child trust fund can be transferred into a junior Isa. Can only accept transfers in from another junior Isa	Yes – from any other type

For a broad overview of the rules to help you navigate the Isa regime, see factsheet (0348) for more information.

1. If an individual wants to use a new provider, they need to transfer existing junior Isa in full.
2. The current payment limit is part of the overall subscription limit of £20,000. For example, an individual could pay £4,000 into a lifetime Isa and £16,000 into a cash Isa.
3. The junior Isa subscription limit is in addition to the overall subscription limit. For example, an individual could contribute £4,128 into a junior Isa and £20,000 in a cash Isa.
4. If the property purchase doesn't complete, then any bonus paid on closing the help-to-buy Isa will need to be returned to the government.
5. Client needs to have saved at least £1,600 before being able to claim government bonus.
6. As long as the current payment limit hasn't been exceeded.

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