

This addendum should be read in conjunction with the 'Subscription limits and tax' section on page 2 of the Society's Cash ISAs leaflet.

From 6th October 2009, the ISA subscription limit will increase to £10,200 for anyone eligible to invest in an ISA who was born on or before 5th 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 6th April 2010.

Example 1

An individual is aged 65. He has not opened an ISA in tax year 2009-2010. From 6th October 2009 his ISA allowance will be £10,200. Up to £5,100 of his 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.

Example 2

An individual is aged 70. She has opened a cash ISA in 2009-2010 in which she has subscribed £3,600. From 6th October 2009 she will have an ISA allowance of £10,200. She could save up to another £6,600 in ISAs. This could be up to £1,500 in the same cash ISA, or up to £6,600 in a stocks and shares ISA with either the same or another provider, or a combination of both.

Example 3

An individual's fiftieth birthday falls on 15th March 2010. He has opened a stocks and shares ISA in 2009–2010 in which he has subscribed £7,200. From 6th October 2009 he could save up to another £3,000 in ISAs. This could be up to £3,000 in the same stocks and shares ISA, or up to £3,000 in a cash ISA with either the same or another provider, or a combination of both.

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