

## **New Individual Savings Account (ISA) Limits**

In the 2008 Budget, the Chancellor announced increases to the ISA investment limits. This has now been followed in the 2009 Budget by further increases to the limits, initially for the over 50s but eventually for everyone.

Under the new simplified rules, there are now just two types of ISA - the cash ISA and the stocks and shares ISA - and your overall allowance for both in 2009/10 is £7,200 - or, if you are over 50, from October, £10,200.

Within this, the limit for cash ISAs - or for the cash element within a stocks and shares ISA - is £3,600 (or £5,100 for over 50s). But there is also some flexibility. You can, for example, now put the maximum £3,600 (£5,100) in a cash account and £3,600 (£5,100) in a stocks and shares account. Alternatively, if you place just £2,000 in cash, you can use the entire remaining balance - £5,200 (or £8,200) - to invest in stocks and shares. If you don't need cash at all, you can put your full allowance into stocks and shares.

You can also transfer any existing cash ISA holdings to a stocks and shares ISA without affecting your current tax year allowance. So, if you have £10,000 already sitting in existing cash ISA plans then this amount can be moved to a stocks and shares ISA whenever you think the time is right.

On 6 April 2010, the limit for everyone increases to £10,200 and the limit for cash within that goes up to £5,100. It might be time for all of us to start planning where we are going to put it.

**To discuss this article in further detail or any other aspect of your financial planning, please contact Jim Cooper on 01628 762694 for a no obligation initial discussion.**

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