

SOCIETY  
OF SAVERS

# ISA there a better way to save?

We've been helping our Members save for over 150 years,  
here's why an ISA is still a great savings option



With the variety of ISAs available, it's understandable that many people find them complicated. However, at a basic level ISAs are just accounts that offer interest that is tax-free^.

Inside this handy guide, you'll find some tips about making the most of your tax-free savings allowance, from the perks of saving in a Cash ISA to understanding how they fit with your Personal Savings Allowance.

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To help kick start your savings, we've compiled money saving tips, tools and advice on our online savings hub at [www.principality.co.uk/societyofsavers](http://www.principality.co.uk/societyofsavers)

# Join the tax-free savers

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Depending on how you want to save and what you're saving for, you can choose to place your money in an ISA for a fixed period, save on a regular monthly basis, or have the convenience of accessing your account whenever you need to. Talk to us in branch or visit our website to see our full range.

## Why Principality Building Society?



Over  
**150**  
years' experience

Members can access  
Member Rewards



featuring competitions,  
priority tickets to events  
at Principality Stadium  
and discounts

We're the  
**6th** largest  
building  
society  
in the  
UK



A mutual  
building society  
owned by and run for  
the benefit of our  
**500,000**  
Members

# A closer look at the benefits

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Here are just a few perks of saving with an ISA

## **They're tax-free**

Your annual ISA allowance (which is £20,000 for the 2019/2020 tax year) is the amount of new money you can place into an ISA per year. Interest is tax-free which means all the interest that is paid to you, you keep for yourself.

## **ISA tax benefits build over time**

If you open an ISA and continue to save in ISAs over time, your tax-free allowance builds. It's a benefit that stays with you as long as you keep your savings in an ISA. This means you can save up to £20,000 this tax year, and earn tax-free interest on that. Then next year you can save up to next year's allowance and earn tax-free interest on that, in addition to your previous year's savings. And so on... you can keep adding to your ISA savings over the years.

## **Your tax-free allowance can be inherited**

At the end of your life you can pass on your accumulated ISA allowance to your spouse or civil partner, which they can use in addition to their own ISA allowance. This means that it's possible for them to limit the amount of tax they pay on savings.

## **ISA interest doesn't need to be declared on a tax return**

If you complete a tax return, you do not need to declare any ISA interest, income or capital gains on it.

## **ISAs can be flexible**

Choose a flexible ISA, and you can take money out and put it back later in the same tax year, without losing any of your tax-free entitlement.

### **Did you know**

There are a few different types of ISAs around. At Principality we offer Cash ISAs. You can only open one of each type of ISA per tax year, and your allowance is spread between all the types of ISAs you open in a given tax year.

For example, if you open one type of ISA this year, you could save up to £20,000 in it this year, if you opened two types of ISAs you could split the £20,000 between the two ISAs, and so on.

# ISA rules

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Here are a few rules to be aware of before you decide which of our ISAs is best for you

You must be aged

**16**

or over

You have to be **resident in the UK** for tax purposes; or a Crown employee serving overseas, or married to or a civil partner of a Crown employee serving overseas.

  
You can only save in **one Cash ISA per tax year** which runs from 6th April to 5th April the following year.

## Did you know

If you've already got an ISA, you can transfer it from another provider to us subject to the account terms of that ISA. You can also transfer ISA savings between Stocks and Shares ISAs and Cash ISAs.

We aim to complete Cash ISA transfers within **15 working days** and Stocks and Shares ISA transfers within **26 working days**. Remember – make sure that you arrange for the transfer to be completed by the provider you want to switch to, rather than withdrawing the money yourself, or you will lose the tax-free status on your savings.

If you're transferring an ISA from a previous year, then this will not count towards your current year's allowance.



# Happy to leave your savings untouched for a while?

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If you want to know exactly how much your savings will earn, we have a range of Fixed Rate Cash ISAs that may suit you. You can choose to save on a monthly basis with our Regular Saver ISA, or place a larger sum of money into an ISA up front.

## Fixed Rate Cash ISAs

With a Fixed Rate Cash ISA you can leave your money for a fixed period and earn a fixed rate of interest. You need to have at least £500 to invest.

Generally Fixed Rate Cash ISAs have a higher rate than variable ISAs but are not flexible. You can still access your money before the end of the fixed period, but if you do so you'll need to pay an interest penalty.

## NEW

## Regular Saver Cash ISA

Want the certainty of a fixed rate but don't have £500 to open a Fixed Rate Cash ISA? Our Regular Saver Cash ISA might be right for you.

Open the account with as little as £20, and start saving regularly to build up this year's ISA allowance.



# Need easier access to your money, just in case?

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With our range of variable rate ISAs you can access your money immediately, and with no penalty. With the exception of the Easy Cash ISA, you only need £1 to open an account so it's even easier to start saving.

## Easy Cash ISA

Easy access to your money in branch, whenever you need it. Minimum balance of £500.

## e-ISA

An online ISA to help you manage your money around the clock. Link to one of your existing bank accounts, so you can move money in and out, when you need to.

## Variable Rate Cash ISA

A variable rate ISA allowing you easy access to your money in branch or by post.

## NEW

## Tiered Variable Rate Cash ISA

Easy access to your money and interest rates that are tiered, depending on your balance (so you get a higher rate if you save more). Plus if you've been a Principality Member for two years or more you get an even higher rate.



Take a look at our website or ask for a rate guide in branch to see our current rates

# Your Personal Savings Allowance

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In addition to your ISA allowance, if you're a basic-rate taxpayer, you can earn up to £1,000 interest per tax year across all of your non-ISA savings without paying a penny of tax on it. For higher-rate taxpayers, that figure changes to £500.

The only time you'll need to pay any tax on your savings now is if you earn above your Personal Savings Allowance. Your ISA allowance is separate to this.

Three reasons to still save in an ISA:

## One

The ISA allowance is a long term approach to tax-free<sup>^</sup> saving.

Your allowance builds year-on-year so you can add to it and hold onto it throughout your life.

The Personal Savings Allowance is the same each year and does not accumulate over time.

## Two

If you save over time in non ISA savings, it becomes easier and easier to go above your Personal Savings Allowance (and to start to pay tax on interest you earn). For example, if you had £50,000 in a savings account earning 2% per annum, you'd earn £1,000 interest (the maximum for a basic-rate taxpayer). If interest rates increase, the amount you'd need to have in a savings account to hit this limit would be lower.

## Three

You can use both your ISA allowance and your Personal Savings Allowance – none of the interest earned from a Cash ISA counts towards your Personal Savings Allowance.

To find out more, visit [www.gov.uk](http://www.gov.uk) and search 'Personal Savings Allowance'



# Your ISA questions answered

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## **Can I invest in more than one Cash ISA?**

You can only invest in one Cash ISA in each tax year. But you can invest in each of the different types of ISAs available across the market, as long as you don't go above your ISA allowance.

## **What's the difference between a Fixed Rate ISA and a Fixed Rate Bond?**

The main difference is how the interest is treated. With an ISA, any interest earned is tax-free. There is also a limit to how much can be saved in an ISA each year, the limit for the current tax year is £20,000. Finally you can generally access your funds if they're in an ISA in an emergency, although you may need to pay a penalty, and if the ISA isn't flexible you will lose the tax-free status on any funds you withdraw.

## **What is a flexible ISA?**

With a flexible ISA you're able to take money out of it and replace that money before the end of the same tax year, without it contributing any further towards your annual ISA allowance. All of our variable interest rate ISAs are flexible, which opens up lots of new possibilities for how you choose to save.

## **Can I add more funds to my Principality Cash ISA?**

Yes, providing you do not exceed the annual allowance and the terms and conditions of your ISA allow additional deposits. Our Fixed Rate Cash ISAs only allow additional deposits whilst the ISA remains on sale.

# Your money, wherever you are

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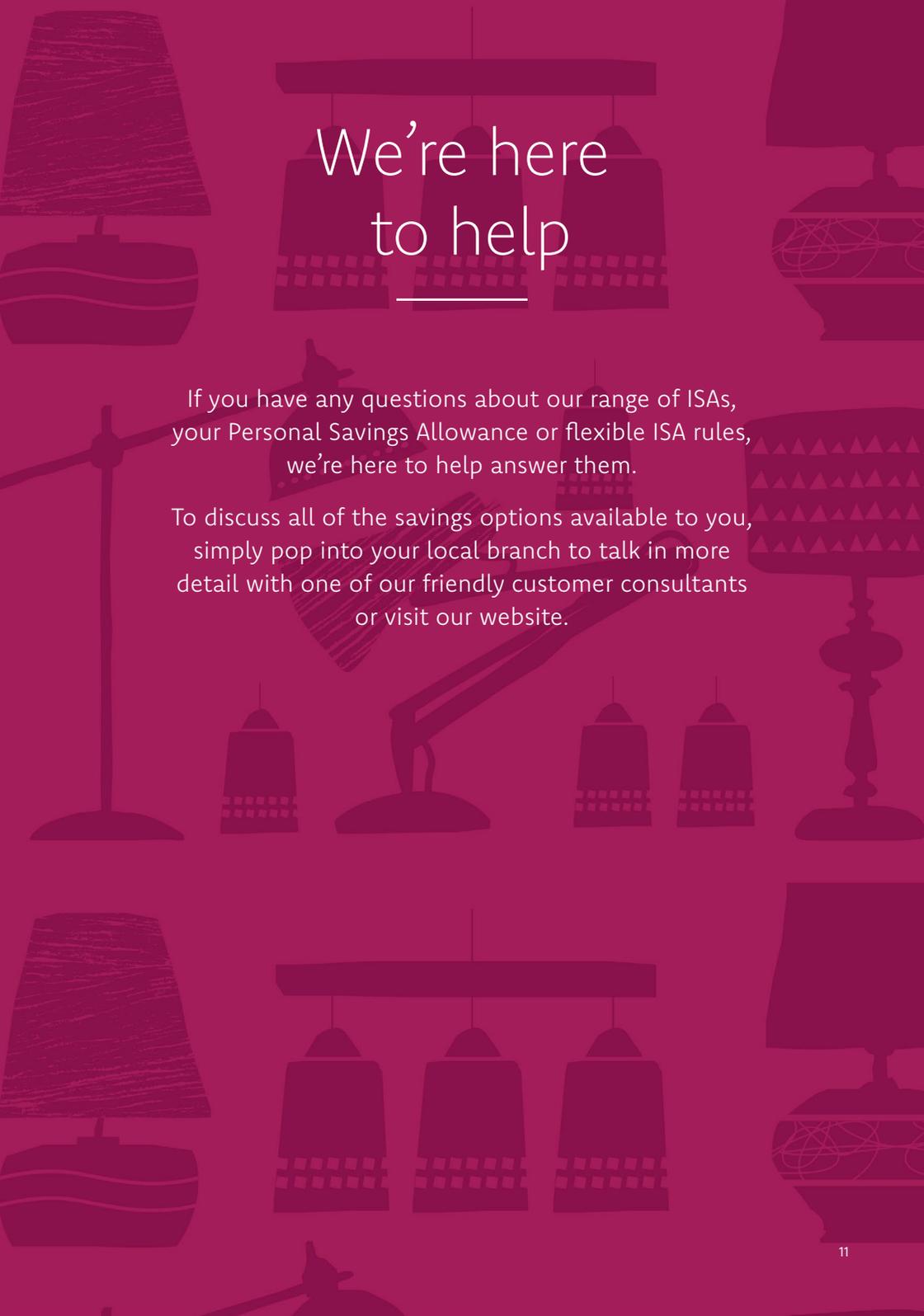
We understand just how important it is to be in control of your money. And as much as we love meeting Members, we appreciate there's not always time to pop into your local branch.

With **Your Account**, you can view your Principality savings and mortgage accounts, 24 hours a day, wherever you are in the UK.

## This gives you the power to:

- Check your balances and transactions
- View your personal details
- Confirm current interest rates
- Register for and activate your Member Rewards
- Contact us via secure message
- Change your marketing preferences
- View your maturity dates on Fixed Term products

Find out more and register at [www.principality.co.uk/register](http://www.principality.co.uk/register)



# We're here to help

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If you have any questions about our range of ISAs, your Personal Savings Allowance or flexible ISA rules, we're here to help answer them.

To discuss all of the savings options available to you, simply pop into your local branch to talk in more detail with one of our friendly customer consultants or visit our website.



### CALL US

0330 333 4000\*

(Open Mon–Fri 8am–8pm  
Sat 9am–1pm)



### VISIT

[www.principality.co.uk/branch](http://www.principality.co.uk/branch)  
To find your nearest branch



### ONLINE

[www.principality.co.uk](http://www.principality.co.uk)  
@principalityBS  
Principality Building Society  
@principalityBS

This leaflet is available in large print,  
Braille and audio tape on request  
by calling 0330 333 4000\*

<sup>^</sup> Tax-free means the interest you earn is exempt from UK Income Tax and Capital Gains Tax. Tax treatment depends on your individual circumstances and may be subject to change in future. You can only invest into one UK Cash ISA and one Stocks and Shares ISA in the same tax year.

<sup>•</sup> To help us maintain our service and security standards, telephone calls may be monitored and recorded. Principality Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, reference number 155998. Principality Building Society, Principality Buildings, Queen Street, Cardiff, CF10 1UA. [www.principality.co.uk](http://www.principality.co.uk)

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