

Tax Wrappers Explained:

Lifetime ISAs

A Lifetime Individual Savings Account (LISA) is a tax-efficient account that can be used to save for either retirement or buying a first home. It has some similarities but also some differences and restrictions to a standard ISA.

Killik & Co offers a Stocks & Shares LISA, which means you can invest savings into a range of assets, with any growth reinvested tax-efficiently.

What do I need to know about a Lifetime ISA?

Lifetime Individual Savings Accounts are:



Available to any UK resident^ aged between 18 and 40 years of age (with contributions possible until the age of 50).



They offer a tax-efficient way to save up to £4,000 per annum, which counts towards the total annual ISA limit of £20,000 per annum, per person.



A key benefit of the LISA is a 25% government bonus of £1,000 based on a maximum contribution of £4,000 per year.



As with a standard ISA, you can hold cash, or a range of investments and any gains are not subject to UK Income or Capital Gains Tax.



As with all investments, there is a risk of loss of capital and the value can rise and fall, which means you may get back less than you put in, at the time you need access to the funds.



The LISA rules and restrictions (to avoid penalties)

You can withdraw money from your LISA for one of the following reasons, without being subject to paying the 25% penalty*.



To put towards purchasing your first home

- It must be your first property, located within the UK, it must be mortgaged and must not cost more than £450,000
- The LISA must have been opened for at least 12 months for you to receive any government bonus.
- The bonus is per individual, so two first-time buyers can combine their government bonus when buying a property together.



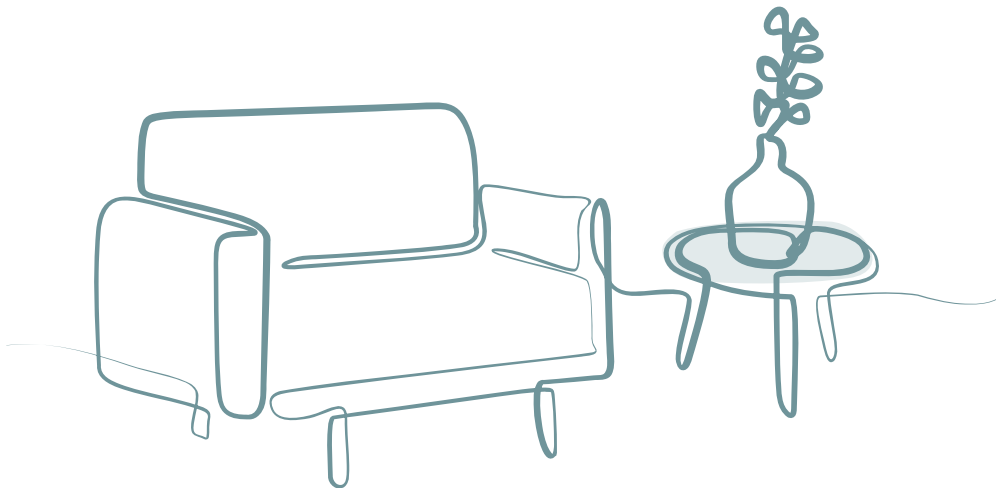
For your retirement

- You can access the money tax-free on or after your 60th birthday
- The LISA can work alongside your pension.



The LISA may also be accessed if you are terminally ill with less than 12 months to live.

For more information about Stocks & Shares LISAs, [speak to your Adviser](#).



^A LISA can be opened by a non-UK resident if transferring funds from their matured Child Trust Fund into the LISA in the tax year to which the application relates.

**If money is withdrawn for any other reasons (known as an unauthorised withdrawal), it is subject to the 25% government penalty. Learn more about restrictions and exemptions at gov.uk/lifetime-isa*