



News letter

1-11-2011

Seven Financial

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Junior ISA

Who can open an account?

The parent or legal guardian only, or the child if they are over 16.

Who is eligible?

Any child who doesn't have a (Child Trust Fund) CTF and doesn't already have a stocks and shares JISA.

What is the minimum and maximum amounts you need to open an account?

£250 for lump sums or £50 per month. The maximum contribution limit of £3,600 per annum.

Can I open an account if I live overseas?

No not normally but check with your adviser.

Who has control of the account?

Up until the age of 16 the registered contact (usually the parent or legal guardian), at the age of 16 the child can if they wish take responsibility for managing the account.

Can I top up my JISA account?

Yes, subject to our minimum of a lump sum amount of £100 (by cheque) or monthly/quarterly contribution of £50 (by direct debit) and provided you do not exceed the maximum contribution limit of £3,600 per annum.

Who can make contributions?

Anyone. They can add lump sum investments or set up a Direct Debit.

What is the maximum contribution limit?

£3,600 for the current tax year.

How much do JISA cost?

Most providers will charge an annual management. There are also dealing charges and the 0.5% government stamp duty which is charged on the purchase of all equity products. Details of costs are provided in the provider product literature and provider illustrations.



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What is the situation on tax?

Free of capital gains tax and no further income tax is payable on dividend income. See our Tax Centre for more information [Link to tax centre](#).

Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences. The above section is based on our understanding of Revenue law and practice as at October 2011.

Can I withdraw money from the Junior ISA Account?

Not until the child is 18 under normal circumstances, please see our Terms & Conditions for more information.

Can I transfer between JISA products?

No unfortunately due to HMRC guidelines you are unable to transfer investments into or out of a JISA account.

What happens when the child reaches 16?

The child can take responsibility for the management of their JISA account.

What happens when the child reaches 18?

The child is entitled to access the funds. They can choose either to sell or to roll over into an adult ISA.

What happens to dividends?

They are automatically reinvested to buy more shares.

Are there any alternatives?

Of course as an alternative and as a parent if you have not already used your own ISA allowance it would be beneficial to consider this option also. Holding an ISA in your own name will give you greater control over the investments and allow you to hold the investment beyond the age of 18. Thus allowing you to decide when your child should ultimately receive the investments.

At Seven Financial we are here to help.

Please contact the team.