

Junior Individual Savings Account (JISA)

The Junior ISA or JISA is a new tax-efficient savings initiative designed to allow adults to save or invest on behalf of a child who is resident in the UK but is not eligible for a Child Trust Fund. Like the Child Trust Fund, parents, family and friends can all contribute on either a regular or one-off basis up to a maximum of £3,600 each year.

The tax-efficient lump sum can provide a welcome boost to your child at the start of their adult life and can be used towards university fees, a car, house deposit or any number of purposes. Alternatively the proceeds will automatically be rolled into an adult ISA if the child chooses not to take the proceeds at age 18.

The Government has confirmed that JISAs will be made available to eligible children from 1st November 2011. Forester Life plan to introduce a Junior ISA to its range in March 2012.

The Forester Life JISA will meet Stakeholder standards and offer risk-controlled investment in stocks and shares, with low charges and simple conditions.

Some frequently asked questions about JISAs

What is it?

The Junior ISA is a new tax efficient account designed for adults to save and invest on behalf of children.

Who is eligible?

Any child under 18 residing in the UK, who was either born on or after 3rd January 2011 or born before that date but does not have a Child Trust Fund.

Are there different types of accounts available?

Yes. Like adult ISAs, there are two different types of JISA:

- A cash JISA - which will earn interest like a savings account from a bank or building society.
- A stocks and shares JISA - which will invest in stocks and shares.

You can take out both a cash JISA and a stocks and shares JISA, with different providers (or the same provider if they offer both), at the same time if you choose. Only one JISA of each type can be held at any one time.

How much can you pay in?

The maximum that can initially be paid into a JISA is £3,600 each tax year. This total can be made up by any amounts from both types of JISA available, providing the combined amount does not exceed £3,600. Like an adult ISA, this limit will increase with inflation each tax year starting from 6th April 2013.



Who can pay into it?

Payments are not just limited to the child's parents, in fact anyone can contribute to a JISA just as long as the total combined amount invested each year doesn't exceed £3,600.

What are the main features?

- Proceeds of the account are held in the child's name.
- Tax efficient like an adult ISA.
- Money in the account cannot be withdrawn as it is intended for the child's future.
- The parent (or registered contact) manages the account on behalf of a child. At age 16 the child can manage the account themselves.
- At age 18 the account is converted into an adult ISA and the young adult can access their funds.

Who can access the money?

The account is set up for the child and only they can access the money and only when they reach 18 years of age.

Who can open an account?

A parent, or someone with parental responsibility, can take out a JISA on behalf of an eligible child. It is also possible for a child aged 16 to take out a JISA for themselves.

What is the difference between a JISA and a Child Trust Fund?

One difference is that unlike Child Trust Funds there will be no Government contributions to a JISA. In addition, a JISA limits the contributions that can be made in each tax year, whereas a Child Trust Fund limits the contributions that can be made between one birthday and the next.

Will I be able to open a JISA for my older child who did not qualify for a CTF?

Yes. Older children under 18, who didn't qualify for a Child Trust Fund, are eligible for a JISA.

My child already has a Child Trust Fund. Can I also open a JISA in their name or transfer the funds to a JISA?

No. Only children that don't have a Child Trust Fund will be eligible for a JISA.

