

Lifetime ISA

Key Features



Purpose of a Lifetime ISA

A Lifetime ISA is an account you may open if you are aged between 18 and 39. It was introduced as a tax-efficient way to help people save for their first home or put money aside for their retirement.

Like other ISAs, any gains your investments make will be tax-free. A Lifetime ISA forms part of your overall annual ISA allowance, which is currently £20,000 each tax year.

It allows you to put your money into a wide range of investments, such as company shares, government and corporate bonds and funds.

Risks

It is important to remember the value of investments can fall as well as rise and any income from them is not guaranteed and you may get back less than you invested. Past performance is not a guide to future performance.

Saving in cash may be considered to be more appropriate for shorter periods. This may be applicable if you are saving in the short term for a first home. EQi offer a Stocks & Shares Lifetime ISA only.

EQi does not provide investment advice. If you are in any doubt as to the risk or suitability of an investment or product you should seek advice from an independent financial adviser.

The extent and value of any Lifetime ISA tax advantages or benefits will vary according to the individual's circumstances. The levels and basis of taxation may also change.

Your responsibility

You are responsible for understanding the key features and benefits of the EQi Lifetime ISA, so you can be sure it is appropriate for your needs.

It is also important to regularly review if this product remains right for you. Especially if you originally opened the Lifetime ISA to save for a first home and your plans have changed.

You must ensure that any payments you make to your Lifetime ISA don't exceed the annual limits, (except when transferring from one Lifetime ISA to another). You must make a payment to the Lifetime ISA in the same tax year as you open it.

EQi Lifetime ISA – Is it right for me?

A Lifetime ISA is a form of Individual Savings Account, available to open for UK citizens who are aged between 18 and 39 to help people save for their first home or put money aside for their retirement.

It is a way to secure a bonus on your savings, the government will add a 25% bonus based on the contributions paid into the account each year (subject to annual limits). To secure the maximum £1,000 annual bonus, you will need to have paid in £4,000 each year.

A Lifetime ISA forms part of your overall annual allowance, which is currently £20,000 each tax year. Like other ISAs, you won't pay tax on any income or capital gains from investments held within a Lifetime ISA. If you complete a tax return, you do not need to declare any ISA interest, income or capital gains.

It is important to remember that as with every investment product, its value can fall as well as rise, which is why it is sensible to allow a time frame of five years or more to ride out any stock market volatility.

You may get back less than you invested and past performance of investments is not a guide to future performance.

We are an execution only service, so we do not provide investment advice. If you are in any doubt as to the risk or suitability of an investment or product you should seek advice from an independent financial adviser.

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Who suits a Stocks and Shares Lifetime ISA?

- If you are happy to be an active investor
- If you are a UK citizen aged 18 – 39 years old
- If you can invest for five years or more
- If you are saving for a first home or for your retirement

Fees

For full details of fees, please see our Lifetime ISA pricing page.

Considerations

The following are some key considerations on the suitability of the Lifetime ISA for your needs.

- You will no longer be able to make contributions to your Lifetime ISA after age 50, or if you cease to be a UK resident.
- The value of your Lifetime ISA will be included in any assets under review for means-tested benefits. This includes the current and future value of your Lifetime ISA. Pension savings may not be included.
- Payments to a Lifetime ISA qualify for a Government Bonus, however withdrawals before age 60 other than for your first property purchase are subject to a 25% government withdrawal charge*. The only exception to this is if you are terminally ill.
- The Government withdrawal charge means you could get back less than you have contributed.
- It is important to remember rules relating to taxation of capital gains and income in relation to Lifetime ISAs are subject to change.

In consideration of the above points, if you still have any doubts about the suitability of the EQi Lifetime ISA, you should seek advice from an independent financial adviser.

Contributions

Once you have opened a Lifetime ISA you must make your first payment in the same tax year you set up the account.

You can make payments into your Lifetime ISA, so long as: you are aged between 18 and 49, you are a UK resident and you have not paid into another Lifetime ISA in the current tax year.

How to make contributions

The minimum contribution you can make to your Lifetime ISA is £10. You can choose to make one-off payments by Debit card or BACS transfer.

Regular deposits can be made monthly by Direct Debit. If you set up a Direct Debit you can nominate this to come out of your bank account on the 1st or the 15th of the month.

Existing investments cannot be added to an EQi Lifetime ISA, only cash will be accepted, so any investments must be sold before the cash may be moved into an EQi Lifetime ISA.

Transfers

You can transfer cash into your EQi Lifetime ISA, however investment transfers are not possible. If you wish to transfer investments from another provider or your EQi ISA into your EQi Lifetime ISA, you will have to sell the investments first, before the cash may be transferred over.

Transfers from other ISAs (including Help to Buy, Cash or Stocks and Shares) will count towards your Lifetime ISA allowance of £4,000, but will not count toward your total annual ISA allowance of £20,000. This is unless you are transferring from one Lifetime ISA to another.

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Transfers out of your Lifetime ISA will be subject to the Government withdrawal charge* of 25%, (except when you transfer to another Lifetime ISA, or withdraw to help with the purchase of your first home, or after you reach age 60).

Contribution Limits

- The annual limit for contributions to a Lifetime ISA is £4,000 for the 2023/24 tax year.
- Contributions to a Lifetime ISA are also included in the annual ISA subscription allowance of £20,000.
- If you have already made payments into another Lifetime ISA in the current tax year, you cannot make payments into an EQi Lifetime ISA for the remainder of the year.

Government Bonus

Your Lifetime ISA will receive a bonus of 25% from the Government, based on the contributions paid into the account each year (subject to annual limits). The maximum you may receive is a £1,000 annual bonus, if you contribute the annual Lifetime ISA limit of £4,000 each year.

How does the bonus work?

The government pays the bonus directly into your Lifetime ISA, based on any payments you have made into your account. It's calculated as 25% of the cash you have paid in. Here's an example:

Case study:

You deposit £2,000 into your Lifetime ISA. HMRC will add a £500 bonus, so you'll have £2,500. The bonus is based on the amount of money you pay in, not the value of your investments. The bonus is paid into your account as cash and you can then decide how to invest it within the Lifetime ISA.

Tax

The Lifetime ISA is a tax-free account, so you will not pay tax on dividends, capital gains or any interest paid on cash held in your account.

Investments in your Lifetime ISA

Any ISA eligible investments can be selected for a Lifetime ISA. This includes;

- Stocks and shares
- ETFs (Exchange Traded Funds)
- Funds
- Government Bonds
- Investment Trusts
- International Securities

You may choose to buy investments as a one-off, or you can set up a regular investment, to automatically invest an amount each month to the investments of your choice. We suggest setting up a regular deposit to ensure you have sufficient money in your account each month for your nominated regular investments.

View your Lifetime ISA balance

You will be able to view the balance and performance of your Lifetime ISA 24/7, when you log in to your secure account at eqi.co.uk. An online cash transaction summary is also available from your account.

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Withdrawing from your LISA

As the Lifetime ISA offers a generous 25% bonus, it does come with rules around taking money out. A Lifetime ISA is not a flexible account, so you will not be able to withdraw money and later pay it back in, as you can with our standard EQi Flexible Stocks & Shares ISA, without it affecting your annual Lifetime ISA allowance or your overall ISA allowance. It is better to think of the Lifetime ISA as a great way to secure a bonus but recognise that it comes with restrictions.

Withdrawal for a house purchase

To use your Lifetime ISA towards the purchase of a home it must fulfil the following criteria:

- The property being purchased must be your first home in the UK
- The purchase price of the property must not exceed £450,000
- You buy the property at least 12 months after you first fund your Lifetime ISA
- You are buying the property with a mortgage
- You must intend to live in the property, and be the only home you will own

There may be further requirements specific to the property you would like to purchase, please ensure you review these prior to withdrawing money from the Lifetime ISA.

Before the withdrawal you will need to make a declaration to your conveyancer to verify your purchase meets the criteria above. They will also require information about you and your Lifetime ISA. Once the conveyancer can confirm all of the conditions are met, we will pay the amount you wish to use direct to your conveyancer.

Once the money is received, the purchase of the property must be completed within 90 days. If not, the money will need to be paid back and returned to the Lifetime ISA or the withdrawal charge will need to be paid.

Build up to retirement

Once you buy your home, you can still keep your Lifetime ISA and the government will continue to add the 25% bonus on what you pay in until you are 50.

If you already own a home and are using your Lifetime ISA to save for retirement, you will not normally be able to take your savings until you reach age 60.

Withdrawals for exceptional circumstances

You can withdraw from your Lifetime ISA but there is a 25% penalty fee* on the amount withdrawn. So you need to be sure that you can afford to make the investments or you could lose out.

The government will allow account holders to withdraw money before 60 without paying any penalty fee if they are terminally ill, with less than 12 months to live. If you die, your Lifetime ISA ends on the date of your death and the government will not impose a charge for withdrawing funds or assets from your account.

What happens if I pass away?

After being notified of the death, we will take actions to transfer your EQi Lifetime ISA to a 'Continuing Account'. This is to retain the tax-exempt status of the account for any claims for the deceased estate by a surviving spouse for APS Allowance Declaration Requests received at a later date.

For payments made into your Lifetime ISA that have not yet received the 25% bonus, we will arrange for this to be paid before closing the account.

It is important for your executor to hold details of your Lifetime ISA, as we will need to liaise with them on the selling of investments.

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Security

EQi is a trading name of Equiniti Financial Services Limited (EFSL), authorised and regulated by the Financial Conduct Authority (FCA), which is a member of the London Stock Exchange.

Equiniti Group plc is a FTSE 250 company and we work with 28 million shareholders and pensioners across the UK.

At EQi we hold your assets separately to our own, so it is secure as per FCA regulations. Any assets held in an EQi account (or any combination of EFSL products) are covered by the Financial Services Compensation Scheme (FSCS) up to the limit of £85,000.

Change of mind – cancelling your Lifetime ISA

You have a legal right to change your mind about continuing with the Lifetime ISA. If you wish to cancel your Lifetime ISA, you must do so within 30 days of receiving your letter confirming the account. This letter includes the cancellation form.

EQi will repay any money you have subscribed to your Lifetime ISA, without deduction of any Lifetime ISA administration fees. However, any dealing costs incurred in buying or selling any investments in accordance with your instructions will still be payable by you and will be deducted.

You will receive any profit (after deducting dealing costs) arising as a result of selling investments purchased within your Lifetime ISA, and you will be responsible for any loss arising from such sales.

If you cancel your Lifetime ISA within the 30 day period, you will not incur a government withdrawal charge and you will still be able to subscribe to another Lifetime ISA in the same tax year.

Complaints

Our goal is to provide excellent service to all of our customers, but we recognise occasionally things do go wrong. If you are dissatisfied with any aspect of the service you have received, please contact us.

Telephone: 0345 0700 720 (from overseas call +44 (0) 345 0700 720 Lines are open 08:00 to 17:30, Monday to Friday (excluding UK Public holidays).)

Secure message: Log in to your account and send us a secure message

Email: In writing: Complaint.Resolution@Equiniti.com

Complaint Resolution Team, EQi, PO Box 4923, Worthing, BN99 6SF

For full details of our complaints policy please see [here](#).

Important

The information provided in this key features document is based on our understanding of current law and taxation, which may be subject to change.

Terms and Conditions

Full terms and conditions for the EQi Lifetime ISA are outlined in our EQi Terms and Conditions.

- **Alternative Formats:** Please contact us if you'd like to request these Terms and Conditions in Braille, large print or audio tape.
- **For deaf and speech impaired customers, we welcome calls via Relay UK.** Please see www.relayuk.bt.com for more information.

Questions

If you have any questions please call our Customer Experience Centre on **0345 0700 720**.

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