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| **Reasons to open an ISA every year**  It’s that time again, to be reminded of the end of this current tax year on 5th April 2021, and it’s fast approaching. Your annual personal allowances for this current tax year for ISA investments and pension contributions comes to an end and if you do not take advantage of the allowance you lose it.    Due to the pandemic lockdown, personal spending has gone down and as a consequence personal savings have increased.  So now is the time to make sure those savings are protected from taxation and invested for the future and your retirement.  The best way of doing this is taking up your maximum annual allowance to invest into an Investment ISA.  Here are the reasons to invest into an Investment ISA before 5th April 2021.  **Excellent tax benefits** ISAs offer the opportunity, over the years, to build a significant portfolio, free from UK income and capital gains tax. This is one of the key points; the more you invest and build up your ISA over the years, the more yield you are likely to see each year.  **Generous tax free allowances.** This tax year, 2020/21, investors can shelter up to £20,000, either as a lump sum or by setting up monthly payments, into an ISA meaning that couples can contribute £40,000 between them into ISAs and shelter their cash from tax immediately and for the future.  **Free from capital gains tax**. ISAs allow investors to make sound investment decisions without worrying about future tax implications. An ISA is free from capital gains tax and UK income tax and as a consequence doesn’t need to be declared on tax returns.  Furthermore, you will have total control over your investments and when you can sell them to get the best return, which is essential in a fast changing investment market. As an investor you should use the tax saving vehicles available to you, provided they are suitable for your needs.  **Full access and flexibility** Funds are always liquid for lump sum withdrawals but more importantly able to provide you with a monthly tax free income at any time. Ideal for tax free retirement income.  ISA savers and investors are able to transfer their accounts without restriction or tax charge, which means that they can move their ISA savings into the account which financially suits them best at that point in their life. A Cash ISA can now be transferred to a Stock & Shares ISA, and vice versa.  **And finally, use it don’t lose it!** This tax year (2020/21) you can invest £20,000 across all your ISAs and protect your money from the taxman.  Remember that your 2020/21 ISA allowance must be used by 5th April 2021, you cannot ‘roll over’ your ISA investment allowance into the following tax year. If you don’t use your allowance before the 5th April then you will have missed out on the opportunity to shelter more of your savings and investments from tax. So make sure you invest your money each year.  Stay safe, take care It's still out there!  Best Wishes  Ray Jenkins |