

Quick Guide for Financial Advisers

19 November 2009



All interest rates are pa. ● Gross is the taxable rate of interest without deduction of Income Tax. ● AER (Annual Equivalent Rate) is a notional rate that illustrates what the annual rate would be for monthly income products if the interest was compounded instead of being paid out. For all other products the AER is the same as the quoted rate. ● Tax-free means free of UK Income Tax and Capital Gains Tax at all rates of tax. ● Coloured type indicates changes since last edition.

	Rate	Tax	Key benefits	Min	Max	Who for	Access	
Tax-free	Direct ISA <i>from 19 August 2009</i>	2.50% (=4.16% gross for higher rate taxpayers, 3.12% for basic rate taxpayers). Rates variable.		• Tax-free • Managed by phone and online	£100	£3,600 per tax year. £5,100 for savers aged 50 or over by 5 April 2010.	Individuals 16+ resident in UK for tax purposes.	Repayment by BACS. Min withdrawal £50.
	Premium Bonds <i>from 1 October 2009</i>	Rate for prize fund 1.50% (variable). The odds of each £1 unit winning a prize are 24,000 to 1 each month.		• One £1 million jackpot • Over 1 million prizes each month • Chances to win every month (Bonds eligible for prize draws one clear month after purchase) • All prizes tax-free	£100	£30,000	Individuals 16+. Under 16, by parents, guardians, (great) grandparents.	Funds normally received within 8 working days by BACS or crossed warrant.
	Fixed Interest Savings Certs. <i>from 19 August 2009</i>	2-year 47th Issue 1.25% compound guaranteed over 2 years (=2.08% gross for higher rate taxpayers, 1.56% for basic rate taxpayers). 5-year 96th Issue 2.25% compound guaranteed over 5 years (=3.75% gross for higher rate taxpayers, 2.81% for basic rate taxpayers).		• Tax-free • Guaranteed returns • Choice of terms • Investment options at maturity*	£100	£15,000 per Issue. No limit on reinvesting matured Certificates.	Individuals (also jointly), trustees, charities, some clubs and voluntary bodies.	Funds normally received within 8 working days by BACS or crossed warrant. No interest if repaid in first year (except Reinvestment Certificates). If held less than full term, see terms and conditions.
	Index-linked Savings Certs. <i>from 29 April 2009</i>	3-year 19th Issue Index-linking plus guaranteed extra interest of 1.00% compound over 3 years (=1.67% gross for higher rate taxpayers, 1.25% for basic rate taxpayers). 5-year 46th Issue Index-linking plus guaranteed extra interest of 1.00% compound over 5 years (=1.67% gross for higher rate taxpayers, 1.25% for basic rate taxpayers).		• Tax-free • Inflation beating • Choice of terms • Investment options at maturity**	£100	£15,000 per Issue. No limit on reinvesting matured Certificates.	Individuals (also jointly), trustees, charities, some clubs and voluntary bodies.	Funds normally received within 8 working days by BACS or crossed warrant. No interest or index-linking if repaid in first year (except Reinvestment Certificates). If held less than full term, see terms and conditions.
	Children's Bonus Bonds Issue 34 <i>from 19 August 2009 Fixed Interest</i>	2.50% compound guaranteed over first 5 years, including bonus. New fixed rates notified each 5th anniversary to age 21. Guaranteed bonus every 5 years, and final bonus on 21st birthday.		• Tax-free – even if children become taxpayers • Guaranteed rate • Bonus every five years and final bonus on 21st birthday • No tax for parents to pay	£25 Then in units of £25.	£3,000 per Issue, per child.	Anyone 16+ for individuals under 16.	Funds normally received within 8 working days by crossed warrant. No interest if repaid in first year. Otherwise 1.85% if repaid before 5th anniversary.
Growth	Guaranteed Growth Bonds 3-year Issue 42	4.40% gross / AER	Tax (at 20%) deducted at source. No further liability for basic or lower rate taxpayers.	• Guaranteed rates • Choice of terms • Interest taxable, paid net	£500	£1 million – all Bonds held (sole or joint), including any amount held in Guaranteed Income Bonds and previous issues of Fixed Rate Savings Bonds.	Individuals 16+, or 2 jointly; trustees for not more than 2 individuals.	Funds normally received within 8 working days by BACS. No penalty for repayment at full term. Otherwise penalty equivalent to 90 days' interest.
	5-year Issue 39	4.60% gross / AER						
		<p>Exclusively available online, by phone and by post*** <i>from 26 October 2009</i></p> <p>The 1 and 2-year Issues are not currently on sale.</p> <p>All rates guaranteed compound when held for full term.</p>						
Monthly income	Guaranteed Income Bonds 3-year Issue 42	4.30% gross / 4.39% AER	Tax (at 20%) deducted at source. No further liability for basic or lower rate taxpayers.	• Guaranteed monthly income • Choice of terms • Interest taxable, paid net	£500	£1 million – all Bonds held (sole or joint), including any amount held in Guaranteed Growth Bonds and previous issues of Fixed Rate Savings Bonds.	Individuals 16+ or 2 jointly; trustees for not more than 2 individuals.	Funds normally received within 8 working days by BACS. No penalty for repayment at full term. Otherwise penalty equivalent to 90 days' interest.
	5-year Issue 39	4.50% gross / 4.59% AER						
	<p>Exclusively available online, by phone and by post*** <i>from 26 October 2009</i></p> <p>The 1 and 2-year Issues are not currently on sale.</p>							
	Income Bonds <i>from 20 May 2009</i>	Under £25,000 1.70% gross / 1.71% AER £25,000+ 2.00% gross / 2.02% AER Paid monthly. Rates variable.	Taxable but paid in full without deduction of tax at source.	• Regular monthly income • Competitive interest rate • Higher rates of interest on investments of £25,000+	£500	£1 million (sole or joint).	Individuals, or 2 jointly; trustees for not more than 2 individuals.	Easy access (no notice, no penalty). Repayment by BACS or crossed warrant.
Savings accounts	Investment Account <i>from 18 March 2009</i>	0.20% to 0.30% Rates gross and variable.	Taxable but credited in full without deduction of tax at source.	• passbook • tiered interest rates	£20	£1 million (sole or joint).	Individuals, or 2 jointly; trustees.	Easy access (no notice, no penalty). Repayment by crossed warrant or cash warrant up to £2,000.
	Easy Access Savings Account <i>from 19 February 2009</i>	0.30% to 0.70% Rates gross and variable.		• telephone service • cash card • tiered interest rates	£100	£2 million per person.	Individuals, or 2 jointly.	Instant access up to £300 per day at POs and ATMs.

*Fixed Interest Savings Certificates which matured before 8 October 2001, and have not been cashed-in or reinvested, earn the variable General Extension Rate at 0.09% pa from 1 April 2009 for each complete period of 3 months held.

**Index-linked Savings Certificates which matured before 8 October 2001, and have not been cashed-in or reinvested, earn index-linking (plus 0.5% pa interest for 3rd + 4th Issues) for each complete month.

2-year Index-linked Savings Certificates maturing on or after 18th June 2008 (until further notice) will earn index-linking plus 1.0% pa compound if held for a further two years.

***Exclusively available online, by phone and by post – not available from the Post Office®.

Call us for brochures/application forms - or use the fax sheet overleaf.

Financial Advisers' Faxline 01253 832025

Internet: www.nsandi.com/ifa

e-mail: ifa@nsandi.com

*Maximum call charge 4p per minute from a BT landline; charges from other providers may vary. For your security and to maintain the highest levels of service, calls may be recorded.



For all information please contact

0845 971 5401[†]

Available 7am until midnight, 7 days a week

IFA107

fax



To:
**National Savings and Investments
Financial Advisers Service
Blackpool**

Fax no: **01253 832025**

From:

Postcode

National Savings and Investments Financial Advisers identification

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- copies of the Direct ISA brochure
- copies of the Premium Bonds brochures
- copies of the Savings Certificates brochure (Fixed Interest)
- copies of the Savings Certificates brochure (Index-linked)
- copies of the Children's Bonus Bonds brochure
- copies of the Guaranteed Growth Bonds brochure
- copies of the Guaranteed Income Bonds brochure
- copies of the Income Bonds brochure
- copies of the Investment Account brochure
- copies of the Easy Access Savings Account brochure
- copies of the Interest Rates leaflet