

# Quick Guide for Financial Advisers

18 June 2008



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	<b>Direct ISA</b> <i>from 10 April 2008</i>	<b>5.30%</b> (=8.83% gross for higher rate taxpayers, 6.62% for basic rate taxpayers). Rates variable.		<ul style="list-style-type: none"> <li>Tax-free</li> <li>0.30% above base rate until 5 April 2009</li> <li>Managed by phone and online</li> </ul>	<b>£1000</b>	<b>£3,600 per tax year</b>	Individuals 16+ resident in UK for tax purposes.	Repayment by BACS. Min withdrawal £250.	
	<b>Cash ISA</b> <i>from 23 April 2008</i>	<b>4.60%</b> (=7.66% gross for higher rate taxpayers, 5.75% for basic rate taxpayers). Rates variable.		<ul style="list-style-type: none"> <li>Tax-free</li> <li>Easy access</li> <li>Postal and telephone deposits and withdrawals</li> </ul>	<b>£10</b>	<b>£3,600 per tax year</b>	Individuals 16+ resident in UK for tax purposes.	Funds normally received within 7 working days by BACS or crossed warrant.	
	<b>Premium Bonds</b> <i>from 1 May 2008</i>	Rate for prize fund <b>3.40%</b> (variable). The odds of each £1 unit winning a prize are 22,000 to 1 each month.		<ul style="list-style-type: none"> <li>Two £1 million jackpots</li> <li>Over 1 million prizes each month</li> <li>Chances to win every month (Bonds eligible for prize draws one clear month after purchase)</li> <li>All prizes tax-free</li> </ul>	<b>£100</b>	<b>£30,000</b>	Individuals 16+. Under 16, by parents, guardians, (great) grandparents.	Funds normally received within 8 working days by BACS or crossed warrant.	
	<b>Fixed Interest Savings Certs.</b>	<b>2-year</b> 43 <sup>rd</sup> Issue	<b>3.50%</b> compound guaranteed over 2 years (=5.83% gross for higher rate taxpayers, 4.38% for basic rate taxpayers).		<ul style="list-style-type: none"> <li>Tax-free</li> <li>Guaranteed returns</li> <li>Choice of terms</li> <li>Investment options at maturity*</li> </ul>	<b>£100</b>	<b>£15,000 per Issue</b> 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.
		<b>5-year</b> 92 <sup>nd</sup> Issue	<b>3.50%</b> compound guaranteed over 5 years (=5.83% gross for higher rate taxpayers, 4.38% for basic rate taxpayers).						No interest if repaid in first year (except Reinvestment Certificates). If held less than full term, see terms and conditions.
	<b>Index-linked Savings Certs.</b>	<b>3-year</b> 18 <sup>th</sup> 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).		<ul style="list-style-type: none"> <li>Tax-free</li> <li>Inflation beating</li> <li>Choice of terms</li> <li>Investment options at maturity**</li> </ul>	<b>£100</b>	<b>£15,000 per Issue</b> 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.
<b>5-year</b> 45 <sup>th</sup> 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).	No interest if repaid in first year (except Reinvestment Certificates). If held less than full term, see terms and conditions.						
	<b>Children's Bonus Bonds</b> <i>Issue 30</i> <i>Fixed Interest</i>	<b>4.45%</b> 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.		<ul style="list-style-type: none"> <li>Tax-free – even if children become taxpayers</li> <li>Guaranteed rate</li> <li>Bonus every five years and final bonus on 21st birthday</li> <li>No tax for parents to pay</li> </ul>	<b>£25</b> Then in units of £25.	<b>£3,000</b> 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 2.95% if repaid before 5th anniversary.	
Growth	<b>Guaranteed Growth Bonds</b> <b>1-year</b> Issue 44	<b>4.75%</b> gross / AER	Tax (at 20%) deducted at source. No further liability for basic or lower rate taxpayers.	<ul style="list-style-type: none"> <li>Guaranteed rates</li> <li>Choice of terms</li> <li>Interest taxable, paid net</li> </ul>	<b>£500</b>	<b>£1 million</b> – 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.	
	<b>3-year</b> Issue 38	<b>4.75%</b> gross / AER							
	<b>5-year</b> Issue 35 <i>from 18 June 2008</i>	<b>4.75%</b> gross / AER							
		All rates guaranteed compound when held for full term.							
Monthly income	<b>Guaranteed Income Bonds</b> <b>1-year</b> Issue 44	<b>4.65%</b> gross / <b>4.75%</b> AER	Tax (at 20%) deducted at source. No further liability for basic or lower rate taxpayers.	<ul style="list-style-type: none"> <li>Guaranteed monthly income</li> <li>Choice of terms</li> <li>Interest taxable, paid net</li> </ul>	<b>£500</b>	<b>£1 million</b> – 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.	
	<b>3-year</b> Issue 38	<b>4.65%</b> gross / <b>4.75%</b> AER							
	<b>5-year</b> Issue 35 <i>from 18 June 2008</i>	<b>4.65%</b> gross / <b>4.75%</b> AER							
	<b>Income Bonds</b> <i>from 6 May 2008</i>	Under £25,000 <b>4.45%</b> gross / <b>4.54%</b> AER £25,000+ <b>4.70%</b> gross / <b>4.80%</b> AER Paid monthly. Rates variable.	Taxable but paid in full without deduction of tax at source.	<ul style="list-style-type: none"> <li>Regular monthly income</li> <li>Competitive interest rate</li> <li>Higher rates of interest on investments of £25,000+</li> </ul>	<b>£500</b>	<b>£1 million</b> (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	<b>Investment Account</b> <i>from 23 April 2008</i>	<b>3.20% to 4.10%</b> Rates gross and variable.	Taxable but credited in full without deduction of tax at source.	<ul style="list-style-type: none"> <li>passbook</li> <li>tiered interest rates</li> </ul>	<b>£20</b>	<b>£1 million</b> (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.	
	<b>Easy Access Savings Account</b> <i>from 23 April 2008</i>	<b>1.85% to 4.40%</b> Rates gross and variable.		<ul style="list-style-type: none"> <li>telephone service</li> <li>cash card</li> <li>tiered interest rates</li> </ul>	<b>£100</b>	<b>£2 million</b> (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 2.19% pa from 1 May 2008 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 20 May 2006 (until further notice) will earn index-linking plus 0.70% pa compound if held for a further two years.

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

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**0845 971 5401<sup>†</sup>**

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- copies of the Quick Guide for Financial Advisers
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- copies of the Cash ISA brochure
- copies of the Premium Bonds brochure
- 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