

# Help to Buy: ISA



SUMMARY BOX	THE INTEREST RATE IS CORRECT AS OF 1 SEPTEMBER 2016
<b>Interest rate</b>	2.00% Gross/AER The interest is paid annually.
<b>Can the interest rate change?</b>	Yes, the interest rate is variable. We can increase or decrease the interest rate as described in our terms and conditions of the account. If we are decreasing the interest rate we will notify you before the reduction but within 14 days before the change takes effect.
<b>Estimated balance after 12 months based on £1,200 deposit</b>	£3,446.24. This is an example based on the account being opened on 2 January with an initial deposit of £1,200 and 11 monthly lodgements of £200 at the start of each month which is the maximum monthly amount allowed and assumes the interest rate does not vary during the 12 month period.
<b>How do I open and manage my account?</b>	The account is available to existing Members and new customers resident in Northern Ireland only who are aged 16 years and over. There is a minimum lodgement of £1 required to open this account. You can pay in up to £1,200 in the calendar month in which you make your first deposit into the account. You can pay in up to £200 each subsequent month. The account can be opened and operated at any of the Society's branches, agencies or by post.
<b>Can I withdraw money?</b>	Yes, this is an instant access account, withdrawals are allowed. Any withdrawals made from your Help to Buy: ISA may only be repaid subject to the maximum monthly subscription. You will not be able to claim any Help to Buy: ISA Bonus on funds you have withdrawn from your Help to Buy: ISA. You can withdraw up to £250 in cash and larger amounts must be withdrawn by cheque.
<b>Additional information</b>	AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once each year. The AER allows you to easily compare the interest rate on savings accounts. The higher the AER, the better the return on your savings. This is a tax free account which means the interest paid is exempt from income tax. For further information refer to the terms and conditions overleaf and the terms and conditions contained within the Savings Service Agreement.

## Account terms and conditions

- when you open an account you will be given a passbook to help you keep a record of your transactions and account balance.

### Funding your account

- there is a minimum lodgement of £1 required to open this account;
- the opening balance cannot exceed £1,200. This incorporates £1,000 for the maximum opening deposit and £200 maximum first month subscription;
- the maximum opening balance must be lodged within the first calendar month of opening your Help to Buy: ISA;
- after the initial deposit you can pay in up to £200 per calendar month;
- monthly payments may be made by electronic transfer or direct debit or at any of the Society's branches or agencies by cash, cheque or debit card;
- if any amount you pay in exceeds the maximum amount in the calendar month, or exceeds your annual ISA allowance, the whole amount of that payment will be returned to you.

### Eligibility

- the account is available to savers who are 16 years of age or over;
- the Progressive Help to Buy: ISA is only available to existing members and new customers resident in Northern Ireland;
- you must have a valid National Insurance Number;
- you must be a First Time Buyer; this means you are not and never have been an owner of a residential property;
- you have not previously received a Bonus payment under the Help to Buy: ISA Scheme (unless it has been paid back in full);
- you may only have one Help to Buy: ISA at any time;
- you cannot pay into a Help to Buy: ISA and another Cash ISA in the same tax year. The remaining ISA allowance can only be added to a Stocks and Shares ISA, an Innovative Finance ISA and a Lifetime ISA;
- you agree to be bound by the Scheme Rules, which may be amended and/or restated at any time. To view these rules and eligibility criteria in full, visit [www.helptobuy.gov.uk/isa](http://www.helptobuy.gov.uk/isa);
- if you no longer meet the account eligibility criteria or if you break any of the Scheme Rules we reserve the right to transfer the account to another ISA within our product range.

### Withdrawals

- this is an instant access account and you can make withdrawals at any time;
- you can withdraw up to £250 in cash and larger amounts can be withdrawn by cheque;
- there are no limits on the frequency of withdrawals;
- **any withdrawals made from your Help to Buy: ISA may only be repaid subject to the maximum monthly subscription i.e. if you wish to save £5,000 you may do so in 20 months based on the maximum initial and subsequent monthly subscriptions. If you remove £2,000 from your account, it will take a further 10 months to attain the total of £5,000;**
- **you will not be able to claim any Help to Buy: ISA Bonus on funds you have withdrawn from your Help to Buy: ISA;**
- when you make a withdrawal you must present your passbook and identification may be requested.

### Transfers

- you can only have one Help to Buy: ISA at any time;
- the Society will accept the transfer of your existing Help to Buy: ISA from another ISA provider. The whole balance must be transferred and the account closed;
- the Society will accept a transfer from a Cash ISA held with another ISA provider to fund part or all of your initial deposit up to £1,200. The transfer must be completed within the first calendar month of opening. Your current year's subscriptions must be transferred in full as you are only allowed to fund one Cash ISA per tax year;
- after the initial deposit, you can make further contributions of up to £200 per month. You cannot pay your monthly contributions through an ISA transfer;
- you may transfer your Help to Buy: ISA to another ISA provider. When we receive your transfer instructions from your new ISA provider, we will send the funds and accompanying information to the new ISA provider within 5 banking days of the date of receipt;
- if you transfer money from a Help to Buy: ISA to another Cash ISA it will be classed as a withdrawal;
- as a Help to Buy: ISA is a Cash ISA you will be unable to pay into another Cash ISA in the same tax year.

### Closures

- when you are ready to buy your first home you will need to close your Help to Buy: ISA;
- within 7 days of closing your Help to Buy: ISA we will issue you with a Closing Statement which you will need in order to make an application for the Bonus;
- you may close your Help to Buy: ISA within 14 days from the date you open your account and still open another Cash ISA within the same tax year. After the first 14 days, you can close your account at any time and withdraw your money, but you will lose your tax free entitlement if you don't transfer to another ISA;
- when you close your account you must present your passbook and identification may be requested.

### Bonus

- the Government Help to Buy: ISA Bonus is 25% of your final closing balance, up to a maximum of £3,000. Your closing balance must be at least £1,600 to qualify for the Government contribution (based on eligibility);
- the Bonus will be available on home purchases of up to £250,000 outside London, (£450,000 in London);
- in order to claim a Government Bonus, you will need to be a First Time Buyer, as described in the Scheme Rules;
- you must appoint an Eligible Conveyancer to make an application for the Bonus and to receive payment of the Bonus on your behalf;
- **an Eligible Conveyancer may only apply for a Bonus on your behalf within 12 months of the closure of your Help to Buy: ISA;**

- if your house purchase falls through your Conveyancer will give you a Purchase Failure Notice. We will reinstate your Help to Buy: ISA if you provide us with your Purchase Failure Notice within 12 months of closing your Help to Buy: ISA subject to the Scheme Rules. You will be able to deposit an amount up to the balance of the Help to Buy: ISA when it was closed.

### Interest

- interest is credited **after** close of business on 1 January each year and can be transferred to another Progressive account or your nominated bank account\*;
- if you opt to have your interest paid to another Progressive account, you will receive the interest on the next banking day after 1 January;
- if you opt to have your interest credited to your nominated bank account\* you will receive this electronically, 2 banking days after 1 January;
- by banking day we mean Monday to Friday excluding bank holidays;
- interest is payable on closure of the account.

\*Nominated bank account

The nominated bank account must be in the name of the account holder i.e. the individual named on the account.

Participation in the Help to Buy: ISA Scheme does not result in an Eligible Customer:

- qualifying for or otherwise being eligible to receive any other financial product or financial service (as the terms "financial product" and financial service" are used in the Financial Conduct Authority Handbook); or
- qualifying for, or otherwise being eligible to participate in, any other Help to Buy Scheme or programme offered by Her Majesty's Government.

### Please Note

- you must be 18 years of age or over to be considered for a mortgage;
- opening a Help to Buy: ISA does not guarantee acceptance for a mortgage. All mortgages are subject to eligibility, underwriting and criteria.

### Help to Buy: ISA Scheme Rules – Key Definitions

The definitions as set out below are unique to Help to Buy: ISA.

For full details of the Scheme Rules please visit [www.helptobuy.gov.uk/isa](http://www.helptobuy.gov.uk/isa), or ask us for a copy in branch.

### Eligible Customer (Scheme Rules –4.7)

- (A) In order to open a Help to Buy: ISA, you must be an "Eligible Customer" and confirm that you are not and never have been a "Residential Property Owner" and:
- (i) are 16 years of age or over;
  - (ii) have a valid National Insurance Number;
  - (iii) are resident in the United Kingdom, or:
    - a) though not resident in the United Kingdom, have general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of the Income Tax (Earnings and Pensions) Act 2003, or
    - b) though not resident in the United Kingdom, are married to or in a civil partnership with a person mentioned in paragraph (iii) (a);
  - (iv) have not exceeded in that year of assessment (as that term is used in the ISA Regulations) the overall subscription limit in Regulation 4ZA(1) of the ISA Regulations;
  - (v) have not subscribed, and will not subscribe, to a cash account (as described in Regulation 4(1A)(a) of the ISA Regulations) other than the Help to Buy: ISA in any year of assessment (as that term is used in the ISA Regulations) in which a subscription is made to the Help to Buy: ISA held by that individual. For the avoidance of doubt, this paragraph (A)(v) shall not prevent an individual from subscribing to multiple ISA products within an individual savings account; and
  - (vi) have not previously received payment of a Bonus, unless the full amount of such Bonus has subsequently been repaid to the Administrator in accordance with these Scheme Rules; and
  - (vii) are not, and never have been, a Residential Property Owner.

### Residential Property Owner (Scheme Rules–definitions)

"Residential Property Owner" means an individual who owns an interest in land, whether in the United Kingdom or elsewhere, which:

- (A) is:
- (i) in England or Wales:
    - (a) freehold;
    - (b) leasehold, where the lease was originally granted for a term certain exceeding 21 years; or
    - (c) commonhold; or
  - (ii) in Scotland, registered or recorded, or would be capable of being registered or recorded, as a right of absolute ownership in the Land Register of Scotland or General Register of Sasines in Scotland, as applicable; or
  - (iii) in Northern Ireland:
    - (a) freehold; or
    - (b) leasehold, where the lease was originally granted for a term certain exceeding 21 years; or
  - (iv) an equivalent interest in land to the interests in land listed in paragraphs (A)(i) to (iii) above under the laws of any jurisdiction outside the United Kingdom; and

- (B) comprises a building that is used or suitable for use as a dwelling, or is in the process of being constructed or adapted for such use; and
- (C) (i) was acquired by the individual as a purchaser; or  
(ii) entitles the individual to possession or occupation of that land.

Paragraph (A) this definition of “Residential Property Owner” shall be deemed to include an individual who has acquired an interest in land situated within the United Kingdom under the terms of a Regulated Home Purchase Plan.

### **First Time Buyer (Scheme Rules – definitions)**

In order to claim your Government Bonus, you must be a First Time Buyer. “First Time Buyer” means an individual who:

- (A) is not, and never has been, a Residential Property Owner; and
- (B) will, by way of sole or joint ownership, become a Residential Property Owner in circumstances where:
- (i) the acquisition of the legal interest in land situated within the United Kingdom;
  - (ii) the acquisition is to be funded by a loan that will be secured by a charge way of legal mortgage over the land;
  - (iii) the entirety of the Bonus payable to that individual will be applied towards the acquisition;
  - (iv) the Purchase Price is:
    - (a) in the case of a property located in London, not more than £450,000; or
    - (b) in the case of a property located outside London, not more than £250,000;
  - (v) the individual intends to occupy the land as their only or main residence; and
  - (vi) following the acquisition of that interest in land, the individual occupies the land as their only or main residence, unless with reference to sub-paragraphs (v) and (vi) that individual, as a consequence of being either:
    - (a) a member of the Regular Forces or the Reserve Forces (each as defined in section 374 of the Armed Forces Act 2006); or
    - (b) the spouse or civil partner of a member of the Regular Forces or the Reserve Forces, is unable to occupy the land as their only or main residence at the time of the acquisition but intends, in the future, to occupy such land as their only or main residence.

Paragraphs (B)(i) and (ii) above of this definition of “First Time Buyer” shall be deemed to include an individual who will acquire an interest in land situated within the United Kingdom under the terms of a Regulated Home Purchase Plan.

### **The inherited ISA allowance**

If you save into an ISA your surviving spouse or civil partner will inherit your ISA allowance when you die. This allowance is known as an Additional Permitted Subscription (APS) and is equal to the value of the deceased’s ISA on the date of their death. With an inherited ISA, your surviving spouse or civil partner will inherit the ISA allowance, not necessarily the money that’s currently in the ISA. The allowance is available for three years after the date of death, or if longer, 180 days after the administration of the estate has been completed. The inherited ISA allowance is in addition to your surviving spouse or civil partner’s personal annual ISA allowance.

At Progressive we will only accept an inherited ISA allowance from a surviving spouse or civil partner where the deceased ISA holder was an existing customer and held their Cash ISA with the Society.

We will not accept the transfer of an inherited ISA allowance from another ISA manager.

The surviving spouse or civil partner may only make a one-off additional permitted subscription to their own Progressive Cash ISA. We will not accept multiple subscriptions. If the surviving spouse or civil partner does not subscribe the full amount of their inherited ISA allowance then any unused balance will be lost.

### **HM Revenue & Customs ISA Terms and Conditions**

#### **Issued by HM Revenue & Customs**

- the ISA investments will be, and must remain in, the beneficial ownership of the investor and must not be used as security for a loan;
- the ISA manager will satisfy himself that any person to whom he delegates any of his functions or responsibilities under the terms agreed with the investor is competent to carry out those functions and responsibilities;
- the ISA manager must notify the investor if, by reason of any failure to satisfy the provisions of the ISA regulations, an ISA has, or will, become void;
- on the instructions of the investor and within the time stipulated by the investor, an ISA, or part of an ISA, shall be transferred to another ISA manager in accordance with the ISA regulations relating to transfers;
- on the instructions of the investor and within the time stipulated by the investor, all or part of the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to the investor.