

A photograph of a young family in a forest. A man on the left and a woman on the right are both smiling and looking at a baby in the center. The baby is wearing a brown jumpsuit and is laughing joyfully. The background shows out-of-focus trees. An orange diagonal graphic element is in the top right corner.

Junior ISA

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how does a **Junior ISA** work?

A Junior ISA (or Junior individual savings account) is a tax-efficient way of saving for your child's adult life.

You can open a Junior ISA for a child if they're under 18, and you are their parent, or in a position of parental responsibility

As with an adult ISA, a Junior ISA shelters your child's investments from capital gains and income tax. You can put in up to £9,000

a year, letting you build up a tax-free nest egg for your child, who can access the money when they turn 18.

Only parents or guardians are able to open a Junior ISA, but anyone can pay into them (such as generous grandparents or friends).

is a Junior ISA **suitable** for me?

The money in a Junior ISA is locked away until your child turns 18.

Once you open a Junior ISA for your child, you become the 'registered contact', and are responsible for managing the account. Later, when your child turns 18, control of the account passes to them. So it's important, for this reason, that you trust them to manage the money responsibly.

If your child also has a Child Trust Fund, you can still open a Junior ISA – but only if you immediately transfer their CTF to their Junior ISA.





how many Junior ISAs can a child have?

Junior ISAs come in two types – **cash**, and **stocks and shares**.

Cash JISA – there are fixed or variable JISA's.

Stocks & Shares JISA – the money is invested in the stock markets – returns are not guaranteed and there is a risk to capital if markets fall in value.

At any one time, you can hold only one of each Junior ISA.

You can pay into both types of Junior ISA in the same tax year, but you need to be careful not to exceed the overall Junior ISA subscription limit. Which is currently £9,000.

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Tel: 01723 378234 | Email: enquiries@moneyweb-ifa.com