



**TRANSPORT FRIENDLY SOCIETY
INDIVIDUAL SAVINGS ACCOUNT
IMPORTANT INFORMATION DOCUMENT**

**Please read this document and the Key Information Document before
applying for the Transport Friendly Society (TFS) Individual Savings Account
(ISA)**

What is an ISA?

ISA stands for Individual Savings Account. An ISA allows you to save or invest money in a tax-free way. The tax advantages may change in the future and depend on your individual circumstances.

There is a limit, set by the Government, as to how much you can put into an ISA every tax year, which is called your "ISA allowance".

The ISA allowance for the 2020/2021 tax year is £20,000. The latest ISA allowance is also available on www.tfs.uk.com/ISA.

What is a Stocks and Shares ISA?

A Stocks and Shares ISA is a type of ISA that allows you to invest your money in a range of assets, such as stocks and shares, bonds and commercial properties. It aims to give you a fair return on your investment. A Stocks and shares ISA should be regarded as a medium to long-term investment with a minimum of five years.

While a Stocks and Shares ISA offers the potential of greater growth than a Cash ISA, it also comes with a risk that the value of investments can go down as well as up, so you may get back less than what you pay in.

Who can open an ISA?

To be eligible to open an ISA you must be 18 or over and resident in the UK for tax purposes. [You also must not have exceeded your ISA allowance in the current tax year.]

If you are under the age of 18, you can open a Junior ISA. You must be resident in the UK and not have exceeded your Junior ISA allowance in the current tax year.

Can I transfer my existing ISA to the TFS ISA?

Yes, you can transfer your existing ISA to TFS by completing a Transfer Form, which we will send to your current provider, to ensure your tax exemption is not lost.

Please do not close or withdraw the money from your existing ISA yourself, as you will lose the tax benefit.

Can I have more than one ISA?

You may only have one Cash ISA and one Stocks and Shares ISA, which you are contributing to in any one year. The TFS ISA is a Stocks and Shares ISA.

Can I have a TFS Tax-Free Savings Plan and a TFS ISA?

Yes, you can have both, as your annual ISA allowance is separate from your TFS Tax-Free Savings Plan's tax-exempt allowance.

How do I invest into the TFS ISA?

You can invest regular monthly amounts and/or lump sum investments into your Stocks and Shares ISA up to the limit for the particular tax year.

How much can I invest?

The minimum monthly payment is £30 a month, which can be increased at any time.

The minimum initial lump-sum payment into Your ISA is £500. Additional lump-sum payments of at least £30 can be made at any time.

Can I stop or change my payments?

The Stocks and Shares ISA is flexible – you can change or suspend the amount of your payments at any time.

Can I make withdrawals?

Yes, you can make withdrawals from your ISA of £100 or more at any time.

Where will my money be invested?

The TFS Stocks and Shares ISA is currently invested in funds managed by Legal & General (L&G) Investment Management. The investments are in assets that demonstrate good environmental, social and governance (ESG) efforts. You can find out more about the L&G funds from the funds fact sheets.

How do I choose a fund?

You can choose to allocate your policy to a mixture of funds and to switch at no cost between fund holdings. The application form will allow you to select the proportion of the investment you wish to go to which fund with your contributions.

How will my investment grow?

Stocks and Shares ISA money is invested in stock markets over a long period of time which usually delivers better returns than cash accounts.

Past performance is not a guide to future returns, and stock market investments can go down in value as well as up. If you invest in the stock market you could get back less than you put in.

How will I know what my ISA is worth?

We will send you an annual statement detailing any payments in, withdrawals made and charges deducted by the Society and the current value of your ISA as at the date of your annual statement.

Are there any charges?

We will charge you an annual fee of 1.5% of the value of your ISA, in order to cover the costs of managing your ISA.

Will I pay tax?

There is no liability for Income or Capital Gains Tax during the life of the ISA, or on cashing it in. Your ISA should not be taken into account when completing your annual Tax Return.

What are the risks?

While the aim of the funds is to give you a fair return on your investment, it is important to remember that the value of investments can go down as well as up, so you may get back less than what you pay in.

How long can I save for?

There is no specific term, but in order to take full advantage, investing in an ISA should be viewed as a medium to long-term investment of five to ten years.

Can I cancel the ISA if I change my mind?

Yes, you can cancel at any time, and if you do so within 14 days of your ISA's start date, you will receive a full refund of your payments **subject** to a deduction of the amount (if any) by which the value of your investment has fallen at the time when your Cancellation Form is received by the TFS.

If You cancel outside the 14 day cancellation period Your cancelled subscription counts as a subscription to an ISA in the same tax year. You can transfer the value of your ISA to another ISA account with a different provider or cash out.

Can I close or transfer the ISA?

Yes, you can close this ISA or transfer to another provider at any time. Please contact your new provider if you would like to transfer.

Are there any Penalties on closures, withdrawals or cancellations?

No.

How do I complain?

If You have a complaint, feel You have been treated unfairly or are not satisfied with any aspect of the Society, its products or services you can in the first instance complain to the TFS and if you are not happy with our response you can complain to the Financial Ombudsman Service.

What happens if I die?

If you die, your ISA will terminate and all your investments will be sold by TFS and 101% of the value of all the proceeds will be distributed in accordance with your wishes as set out in your Nomination Form.