

keyfacts®



## Key Features of the With profits Junior ISA



## Invest in their tomorrow

The Financial Services Authority is the independent financial services regulator. It requires us, Healthy Investment, to give you this important information to help you decide whether our stocks and shares Junior ISA is right for you. You should read this document, the Terms and Conditions and 'A guide to how we manage our With profits business' carefully so that you understand what you are buying, and then keep them safe for future reference.

## Its Aims

- To allow your child's savings to grow free of income or capital gains tax.

## Your Commitment

- To keep the money invested until the child reaches the age of 18.
- Even for older children you should consider the ISA as a medium to long term investment.

## Risks

- What you get back will depend on how well our investments do, see section 12 of the Terms and Conditions.
- Our charges may increase.
- Tax rules for ISAs could change.
- A Market Value Reduction (MVR) may be applied (see below for further details) if the policy is not cashed in on the MVR free dates.

## Questions and Answers

### Who should consider this policy?

- You might consider this policy if you are looking to put some money into an investment where the proceeds are paid tax free. It has the potential for investment returns but some risk that the child may get back less than what has been invested if it is not cashed in on specific anniversaries.
- You should see this as a medium to long term investment.
- If you have any doubt whether the policy is right for you we recommend that you seek independent financial advice.

## What is a Healthy Investment Stocks and Shares Junior ISA?

- A With profits Junior ISA which includes stock market investments.
- Any growth on an investment in a Junior ISA is free from capital gains or income tax.

## Who can take out a Junior ISA?

- A parent or guardian of any child, resident in the UK, under 18 who was not eligible for a Child Trust Fund, see section 3 of the Terms and Conditions.
- A child over 16 but under 18.
- Once opened anyone can make additional investments.
- By law a child can only have 1 stocks and shares Junior ISA at any one time.

## Where is my money invested?

- The child's money is invested in our With profits Fund.
- Our With profits Fund invests in a mix of stocks and shares, government and corporate bonds, commercial property and cash deposits. The percentage of each type of asset changes over time.
- As an ethical provider we do not invest in companies in the alcohol, arms or tobacco industries.
- The Junior ISA grows through the regular bonuses that are added.
- Any bonuses added to your ISA will depend on how well the fund grows and the expenses applied to the fund.
- The level of bonus can change every year and could, in exceptional circumstances, be nil.
- If you need any further information on this please contact us.

## How long do I have to invest for?

- The money in a Junior ISA cannot be accessed until the child reaches the age of 18, although you can transfer the Junior ISA to another provider.
- At 18 the money will remain invested in an ISA.
- There is no fixed term.
- If the Junior ISA is cashed in or transferred to another provider within the first 3 years an early surrender penalty will be made. See section 9 of Terms and Conditions.

- For each investment held over 5 years the Healthy Investment Junior ISA includes an important and advantageous MVR guarantee on the child's 18th birthday. See section 8 of the Terms and Conditions.

## Can I transfer money into and out of this Junior ISA?

- Yes, you may be able to transfer an existing cash or stocks and shares Junior ISA into Healthy Investment's Junior ISA.
- You can transfer your child's Healthy Investment Junior ISA to a stocks and shares or a cash Junior ISA with another provider.

## What might the child get back?

- How much the child gets back depends on a number of things, such as how much has been paid in, how long the ISA has been kept going and the investment returns and charges on our With profits Fund over this time.
- What the child might receive is shown on the personal illustration.

## Can I take money out of the ISA?

- All contributions to a Junior ISA are gifts to the child and the premium payer has no right to the funds once invested.
- The child cannot access funds in the Junior ISA until they are 18.
- In the event of the child's terminal illness you may be able to access the funds sooner.
- After the child turns 18 they will be able to withdraw all or part of the investment or make regular monthly withdrawals.
- If the child, when they are over 18, withdraws money within 3 years of it being invested they will be charged an early surrender penalty which will reduce the amount the child receives (see section 9 of the Terms and Conditions).

## Life insurance

- Whilst primarily an investment the Healthy Investment Junior ISA includes life insurance.
- Should the child die or become terminally ill the policy will pay out a minimum of 101% of the fund value. See section 11 of the Terms and Conditions for further details.

## What are the charges?

- We take charges for managing the Junior ISA.
- Ever year that the ISA is in force we will make a regular charge to cover the costs of running your policy and towards other costs incurred by the Society, see section 13 of the Terms and Conditions.
- This charge can change over time.
- If the child, when they are 18, withdraws all or part of the investment or you transfer the Junior ISA to another provider within the first 3 years of making an investment an early exit penalty will be charged:

Year 1	3% of the value of your withdrawal
Year 2	2% of the value of your withdrawal
Year 3	1% of the value of your withdrawal

## What is a Market Value Reduction?

- A market value reduction (MVR) is a deduction from the amount paid out from an ISA when it is cashed in or transferred.
- An MVR may be applied to ensure that the payout is fair to the child and other members of the With profits Fund and reflects the performance of an individual's investments in the fund.
- For all investments held over 5 years we guarantee not to apply an MVR on withdrawals and transfers made on the child's 18th birthday and every 5th birthday thereafter.

For investments held under 5 when the child turns 18 we guarantee not to apply an MVR on every 5th anniversary of the investment.

On these MVR free dates the child is guaranteed to receive all the investment made and bonuses that have been added (less any withdrawals). See section 8 of the Terms and Conditions for further details.

## What are the tax advantages of a Junior ISA?

- The child will not have to pay any income tax or capital gains tax on the money they receive from their ISA no matter what their tax status is when they withdraw or cash in their ISA.
- See section 14 of the Terms and Conditions.

## How will I know how the ISA is doing?

- We will send you a bonus statement each year.

## Can I change my mind?

- Once we have accepted your application, you'll receive a notice telling you about your cancellation rights. You will then have 30 days in which to change your mind. If you decide to cancel we'll give you your money back.
- To cancel you should complete the notice and send it to our address shown at the end of this document.
- If you don't cancel within 30 days your right to cancel ends and the ISA continues.

## Further Information Law

- In legal disputes the law of England and Wales will apply.

## Complaints

- If you wish to complain please get in touch with us. Our full contact details are shown opposite.

- If we cannot deal with your complaint to your satisfaction you can refer it to:

**Financial Ombudsman Service**  
**South Quay Plaza**  
**183 Marsh Wall**  
**London**  
**E14 9SR**  
**Tel: 0845 080 1800**

- Making a complaint does not affect your right to take legal proceedings.
- See section 17 of the Terms and Conditions for further details.

## Compensation

- We are covered by the Financial Services Compensation Scheme, see section 18 of the Terms and Conditions.

Their contact details are:

**Financial Services**  
**Compensation Scheme**  
**7th Floor, Lloyds Chambers**  
**Portsooken Street**  
**London**  
**E1 8BN**  
**Tel: 020 7892 7300**



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