



**JUNIOR
ISA**

Terms and Conditions

of the Healthy Investment
stocks and shares Junior ISA

HealthyInvestment
ethical investments since 1835

Terms and Conditions of the Healthy Investment stocks and shares Junior ISA

These are the full Terms and Conditions of the Healthy Investment With-profits stocks and shares Junior ISA. It is an important document which you should read and keep with your Policy Document. You will also receive a Key Information Document which gives you the key information required by law to help you understand the nature, risks, costs, potential gains and losses of this Junior ISA and to help you compare it to other products.

We have made every effort to write these Terms and Conditions in plain English however, if you have any questions please contact us and we will be able to help you.

1. Healthy Investment

- 1.1 Healthy Investment is the trading name of The Rechabite Friendly Society Limited.
- 1.2 The organisation is an incorporated Society within the meaning of the Friendly Societies Act 1992 and is registered in the UK.
- 1.3 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register no. is 109994. You can confirm this by visiting the FSR website or by telephoning the FCA on 0800 111 6768.
- 1.4 Healthy Investment is a mutual organisation which means that all members have a say in the way that the organisation is run. Through having this policy the child becomes a member of the Society. All adult members (aged 18 and over) receive an invitation to our Annual General Meeting and are entitled to vote on various issues, including the appointment of Directors. As a friendly society we have a rulebook which sets out the way we are governed. You can request a copy of the rulebook at any time or download one from our website www.healthyinvestment.co.uk
- 1.5 When the Society was formed in 1835 we only allowed members to join who signed a pledge to abstain from alcohol. Whilst we now allow anyone to join we still ask all our new adult members to sign, as part of their application that they either drink alcohol moderately or abstain altogether. We also support a number of charitable initiatives that promote healthy living.

2. The contract with us

- 2.1 By signing the application form you enter into a formal legal contract with Healthy Investment. We are not obliged to accept your investment.
- 2.2 An application to open a Junior ISA can only be made by the person with parental responsibility for the child, who becomes the registered contact, or by the child themselves if they are 16 and over.
- 2.3 In certain circumstances or with the permission of the existing registered contact it is possible to change registered contacts. Please contact us for further details.
- 2.4 You must ensure that all the information on your application form is correct. If it is not we may not be able to accept your contract in the first place or it may

become void in the event of a claim.

- 2.5 In the case of legal disputes the law of England and Wales will apply.
 - 2.6 Nothing in these Terms and Conditions will reduce your statutory rights. For further information about your statutory rights contact your local authority's trading standards department or a Citizens Advice Bureau.
 - 2.7 We can only vary these Terms and Conditions if we have a valid reason to change them. Examples of a valid reason would be to respond proportionately to changes in taxation, insurance and other laws, decisions of the Financial Ombudsman Service, to meet regulatory requirements or to improve our service to you. We will write to you to give you advance notice of the proposed change and provide an explanation.
 - 2.8 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.
 - 2.9 The policy, or the rights conferred by the policy and any share or interest in the policy or rights respectively, other than the cash proceeds from termination or part surrender of the rights conferred, cannot be transferred to the investor.
 - 2.10 The policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, are not capable of assignment or assignation (other than that the policy may be transferred from one ISA manager to another in accordance with the normal rules on ISA transfers) and the rights may vest in the personal representatives of a deceased investor.
 - 2.11 Healthy Investment, the ISA manager, will satisfy itself that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you the investor is competent to carry out those functions and responsibilities.
 - 2.12 Healthy Investment must notify you the investor if, by any reason of any failure by either party to satisfy the provisions of the ISA regulations, an ISA has, or will, become void.
 - 2.13 We do not assess the suitability of the policy for your needs. If you have any doubts whether this Junior ISA is right for you or your child's needs you should seek financial advice.
- ## 3. Length of contract and age restrictions
- 3.1 In accordance with HMRC rules only UK residents, or Crown employees serving overseas, aged under 18, who do not have a Child Trust Fund, can have a Junior ISA.
 - 3.2 All children born in the UK between 1 September 2002 and 3 January 2011 should have a Child Trust Fund.
 - 3.3 When the child reaches 18 the investment will automatically become an 'adult' ISA and they will have access to the funds. The contract is open ended which means there is no minimum or maximum term. The policy will continue from year to year unless you suspend it or cash it in. You should consider this to be a medium to longer term investment.

3.4 When the child reaches the age of 16 they are able to become the registered contact themselves and take control of the account.

3.5 Regular contributions can be stopped and recommenced at any time.

4. Paying your investment premium

4.1 Anyone can make contributions to a Junior ISA.

4.2 You can pay single premium investments by cheque or by bank transfer.

4.3 You can pay your regular monthly premiums by Direct Debit.

4.4 Premiums are due from the date we accept your application and are payable on the dates stated in your policy.

4.5 We will use the first available date, after giving you the required 10 working days notice, to collect your regular premium, however if you prefer an alternative date in the month simply write this on your application form or contact us.

4.6 Direct Debits are governed by very strict rules and are subject to the Direct Debit Guarantee. This means that we will give you 10 working days written notice of any changes to your Direct Debit and in the event of any error you are entitled to a full refund.

4.7 All premiums invested in a Junior ISA are a gift to the child. The child will be the beneficial owner of the investments held in the Junior ISA. The premium payer has no right to their return (after the cancellation period) or any benefit from the investment.

5. Minimum and maximum investments

5.1 By law every eligible child can only have 1 Junior cash ISA and 1 Junior stocks and shares ISA.

5.2 The minimum initial investment in Healthy Investment's Junior ISA is £10. Additional single and regular premium investments from £10 can be made.

5.3 Due to the tax advantages of investing in a Junior ISA the government limits the amount that can be invested each year.

5.4 This annual limit increases every year in line with the Consumer Prices Index. For details of the current limit please refer to our website, or contact this office or HMRC.

5.5 Whilst a child can also have a cash Junior ISA with another provider the total that can be invested in both added together cannot exceed the annual limit.

6. Cancelling your policy

6.1 After your application is accepted you will receive a notice from us explaining your right to cancel the policy. You then have 30 days in which to change your mind. If you cancel the policy within this 30 day period you will receive a full unconditional refund of any money invested.

6.2 After this 30 day period you will not be able to access your child's money, although you may cancel the policy with us by transferring it to a Junior ISA with another provider.

7. Cashing in or withdrawing from your policy

7.1 The policy cannot be cashed in or withdrawals made

from it until after the child reaches the age of 18, except in cases of the child's death or terminal illness.

7.2 When the child cashes in the policy the amount they receive will be the initial investment plus any subsequent investments plus the regular bonuses we have added plus any final bonus that might be payable. This might then be reduced by withdrawals they have made, any early surrender penalty payable and any Market Value Reduction (MVR) that we apply, see section 9.

7.3 The level of final bonus can change at any time and can be withdrawn.

7.4 At age 18 the money will remain invested and rolled over into an adult ISA, there is no fixed term.

7.5 After 18 the child can also take out part of the money from their ISA, subject to a minimum single withdrawal of £50.

7.6 They can also arrange to have a regular income (monthly, quarterly or annually) paid to them. The minimum regular payment is £50. If our bonus rate is less than the percent they withdraw their capital will be eroded. Regular withdrawals made within the first 3 years will be subject to an early surrender penalty.

7.7 The child must leave a minimum of £50 invested in the ISA.

7.8 Requests for full or partial withdrawals must be made in writing. If a MVR would apply to the withdrawal we will advise the child prior to processing the request.

7.9 Remember that inflation will reduce what the proceeds of the ISA will buy in the future.

7.10 What cash value the child gets back will depend on the length of time they hold the investment, the investment growth and charges applied. They may get back less than you invested if they do not cash in the investment on one of the guaranteed MVR free anniversaries.

8. What are the early surrender penalties?

8.1 If, when they are over 18, the child cashes in all or part of the ISA, or if they or the registered contact transfers the ISA in the first three years of the investment, an early surrender penalty will be applied. This will reduce the amount they receive.

8.2 The early surrender penalty is a percentage of the amount withdrawn or transferred at the following rates:

Year 1 3%

Year 2 2%

Year 3 1%

8.3 After the ISA has been invested over three full years there are no early surrender penalties on any withdrawals from the ISA.

8.4 If you invest on a regular basis the early surrender penalty is calculated on each individual premium received.

9. What is a Market Value Reduction?

9.1 The Junior ISA includes valuable MVR free anniversaries, however if the child cashes in all or part of the ISA or you transfer the Junior ISA we may apply a MVR to your investment. This will reduce the amount of money the child receives back and may mean that they get back less than invested, especially in the early years.

- 9.2** The MVR is designed to ensure that the amount the child receives is fair and reflects the value of the actual investments that make up their share of the With-profits Fund and that those members leaving their investment in the fund are not disadvantaged by those withdrawing.
- 9.3** A MVR might be applied if there is a significant fall in the value of stocks and shares or other investments we have invested in.
- 9.4** If the policy is cashed in on or transferred on the child's 18th birthday, or any subsequent 5th birthday, and the investments have been held for over 5 years, we guarantee that we will not apply a MVR. This means that they are guaranteed to receive all of the initial investments plus all the bonuses that have been added.
- 9.5** If the individual investment has been made for less than 5 years when the child reaches 18 the first MVR free guarantee will apply on the 5th anniversary of the investment and every 5th anniversary thereafter.
- 9.6** MVRs are never applied on death or terminal illness claims.

10. Can I transfer money into or out of this ISA?

- 10.1** Transfers to another provider will depend on the new ISA manager and their terms and conditions and will be processed in accordance with the ISA Regulations relating to transfers.
- 10.2** Transfers to another provider within the first three years will be subject to an early surrender penalty and may be subject to any MVR in force unless made on the guaranteed MVR free dates.
- 10.3** Under normal circumstances we will be able to accept transfers into our Junior ISA, from other providers.
- 10.4** The government have announced that you may be able to transfer Child Trust Funds to Junior ISAs from April 2015. Contact us for further details.

11. Life assurance

- 11.1** Whilst primarily an investment this policy includes life assurance which means that should the child die, an amount will become payable to the child's estate.
- 11.2** This amount will be the greater of 101% of the fund value, or the fund value plus any final bonus that may be payable at the date of death, see section 12.12.
- 11.3** Life assurance cover commences on our acceptance of the investment.
- 11.4** If the child is diagnosed with a terminal illness the registered contact may be able to access the funds in the Junior ISA for the benefit of the child.
- 11.5** In the event of terminal illness the amount payable will be the greater of 101% of the fund value or the fund value plus any final bonus that might be payable at the date of withdrawal.
- 11.6** Once the policy has paid out on death or terminal illness it would end and would have no further value and our contract with you and the child will end.
- 11.7** Terminally ill has the meaning as defined in section 66(2) of the Social Security Contributions and Benefits Act 1992.
- 11.8** The policy may be owned or held only as a qualifying investment for an ISA and shall terminate automatically if it ceases to be owned by the investor or held in a qualifying ISA.

12. Bonuses

- 12.1** This ISA is a traditional With-profits investment. This means that the investment grows through the bonuses which are added.
- 12.2** There are two different types of bonuses, regular (reversionary) bonuses and final (terminal) bonuses.
- 12.3** Your investment is placed within Healthy Investment's With-profits Fund which is invested in a mix of UK and overseas stocks and shares, government and company fixed interest bonds, commercial property and bank deposits. The % of each type of asset class held changes over time based on the view of the Board, Investment Managers and our With-profits Actuary.
- 12.4** All income is reinvested in the fund.
- 12.5** At the end of every year our With-profits Fund is valued and a bonus rate is agreed by the Board, after taking professional advice from our With-profits Actuary.
- 12.6** The level of bonus depends on investment performance, our expenses and our solvency margin over the previous year as well as the Board's expectations of future performance.
- 12.7** The rate of bonus can change every year and could in exceptional circumstances be nil.
- 12.8** The Board aims to provide a consistent return by smoothing the investment return to avoid volatile fluctuations in the value of your investment. Smoothing may not protect against long term or sustained falls in the value of investments.
- 12.9** When a regular bonus has been added to the ISA it can never be taken away.
- 12.10** We will write to the registered contact every year to tell them the level of bonus that has been added to the policy.
- 12.11** The bonus is calculated each year as a percentage of the fund value.
- 12.12** The fund value is the value of the initial investment plus the bonuses that have been added to the policy less any withdrawals that have made.
- 12.13** An additional final bonus may also be added on partial and full withdrawals or in the event of the death or terminal illness of the child. The rate of final bonus can be changed at any time or can be withdrawn.
- 12.14** The principles which Healthy Investment follows in managing its With-profits Fund include: managing the fund and determining bonus payments in a lawful, sound and prudent manner, treating all policyholders fairly and ensuring that we can pay all guaranteed benefits when they become due.
You can obtain a copy of our Principles and Practices of Financial Management, which gives you more information on how we manage our With-profits Fund and calculate bonuses, from this office or from our website.

13. Charges

- 13.1** All the charges we make are reflected in the annual bonus that we apply to your policy.
- 13.2** The charges we make include the cost of setting up and running the policy, administration and investment management, as well as a contribution to the overheads of Healthy Investment. They also include any commission payable if you were introduced to Healthy Investment by an Introducer or arranged your

investment through a financial adviser and you did not receive any advice.

13.3 Part of the charges we deduct from your bonus is used to pay for the cost of life cover which is automatically included in your policy.

13.4 Healthy Investment is a mutual insurer and its members who have With-profits policies share in the profits and losses of the Society. The Board will try and smooth the effect of profits and losses on bonuses. Please see the document referred to in 12.14 if you want a full explanation of how these will be added or deducted.

13.5 At present we aim to deduct 1.65% of the fund value from your bonus each year to cover our charges. As this is a With-profits policy this charge can be reduced or increased by the Board dependent upon the actual costs incurred by Healthy Investment.

14. Tax

14.1 When the child cashes in all or part of their ISA, or in the event of death or terminal illness, they will not, under current tax legislation, have a tax liability on the proceeds. The value is paid out free of all UK Income and Capital Gains Tax.

14.2 Under current legislation the fund in which premiums are invested is not taxed on any investment income or capital gains other than overseas withholding tax.

14.3 There is a possibility that legislation may be changed in the future by HMRC or the government.

14.4 If you are in any doubt about the tax implications of taking this policy we recommend that you seek professional tax advice.

15. Ethical investment

15.1 Healthy Investment strives to be ethical in all its business dealings.

15.2 In respect of this policy we will not knowingly invest directly in companies in alcohol, arms or tobacco industries and gambling and pornography providers.

16. Data protection

16.1 The information you provide us with will be held by Healthy Investment.

16.2 It will be used for setting up and administering your policy. Some information from credit reference agencies may be used to establish your identity in accordance with anti-money laundering rules.

16.3 We may be required by law to disclose information regarding you or your policy to the regulatory authorities.

16.4 If you have been introduced to Healthy Investment by an Introducer we will notify them that your policy has gone live and of any subsequent cancellation. We will not share any other information with them.

16.5 If you arranged this policy through an FCA authorised financial adviser without receiving advice we will share information with the adviser on the performance of your policy unless you tell us otherwise.

16.6 We will not share your information with other third parties for marketing purposes.

16.7 The Society may contact you in the future by our own adviser, by post or telephone, regarding your investment, financial and insurance needs. If you do not wish to receive this information then please notify us.

16.8 The Society may also want to contact you by email.

If you would like to receive information in this way please notify us.

16.9 We may record or monitor your telephone calls with us for training or compliance purposes.

17. Complaints

17.1 Whilst we make every effort to provide quality products and service we recognise that on occasion things do go wrong.

17.2 If for any reason you are not satisfied you should contact us (see section 20) and we will try our best to sort out any problem.

17.3 We have a formal complaints procedure and you can have a copy of this whenever you want simply by contacting us.

17.4 If we do not deal with your complaint to your satisfaction you can then refer your complaint to the Financial Ombudsman Service. Their address and contact details are:

Financial Ombudsman Service

Exchange Tower, London, E14 9SR

Telephone: 0800 023 4567

Web: financial-ombudsman.org.uk

17.5 Making a complaint will not prejudice your right to take legal proceedings.

18. Complaints

18.1 The Society is covered by the Financial Services Compensation Scheme (FSCS).

18.2 The scheme guarantees 100% of all your benefits with the Society in the very unlikely event that the Society is unable to meet its commitments.

18.3 The rules of the FSCS and whether the FSCS exists at all may be changed in the future by the government.

18.4 Further information is available from us or the FSCS.

Financial Services Compensation Scheme

PO Box 300, Mitcheldean, GL17 1DY

Telephone: 0800 678 1100

Web: fscs.org.uk

19. Client categorisation

19.1 As a member of the Society we must assign a client classification to you. The available classifications are retail client, professional client and eligible counterparty. We have classified you as a retail client which gives you the highest level of protection under current legislation.

20. Contact us

20.1 There are a number of ways in which you can contact us:

Healthy Investment

2 The Old Court House

Tenterden Street

Bury

BL9 0AL

Telephone: 0161 762 5790

Fax: 0161 764 3557

Email: enquiries@healthyinvestment.co.uk

Web: healthyinvestment.co.uk

20.2 Our office is open Monday to Friday from 9am until 5pm. An answerphone is available outside of these hours.

A large orange circle containing the text 'JUNIOR ISA' in white and blue.

JUNIOR ISA

2 The Old Court House,
Tenterden Street,
Bury, BL9 0AL
Tel: 0161 762 5790
Fax: 0161 764 3557
Email: enquiries@healthyinvestment.co.uk
www.healthyinvestment.co.uk

Healthy Investment is the trading name of The Rechabite Friendly Society Limited, an incorporated friendly society (register no. 218f) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Financial Services Register no. 109994.

HealthyInvestment
ethical investments since 1835