**National Savings Investments**

INSTRUCTION TO USER – The following has been designed for inclusion within a report generated by the PPOL suitability report writing solution. You will need to use the PPOL software to create a report containing an Introduction and Investment Recommendation section, together with any other required recommendation sections in the usual way. Once you have downloaded the report created via PPOL to Word, simply insert (copy & paste) the required text at the beginning of the Investment Recommendation section of the report and edit it to reflect your individual requirements.

You will also need to insert additional row(s) within the table under the subheading “Summary of Recommendations” to reflect the additional National Savings recommendations being made.

It is also recommended that you include the accompanying Notes on Financial Products within the Appendix of the resultant report.

The text has been colour coded to aid with your understanding. Where the text is highlighted in blue this tends to suggest that the text may not be appropriate in all instances, and you may need to delete some or all of it. Where the text is highlighted in red, this will require your input.

**National Savings Children’s Bonus Bond (currently not on sale)**

I have recommended that you invest into a National Savings Children’s Bonus Bond for the following reasons:

* This investment reflects your attitude to risk
* As part of your larger investment portfolio, this investment reflects your attitude to risk
* This investment reflects your attitude to risk where your child’s investments are concerned
* This investment reflects your investment objectives
* National Savings are extremely secure and backed by the Government
* All returns are free of taxation for both child and parent
* This investment reflects your access requirements
* They provide a fixed interest rate of <INSERT> over a fixed term of <INSERT> years
* The interest rate payable is competitive when compared to similar investments that are available at the current time

**National Savings Certificates (currently not on sale)**

I have recommended that you invest into National Savings Fixed Interest / Index Linked Savings Certificates for the following reasons:

* This investment reflects your attitude to risk
* As part of your larger investment portfolio, this investment reflects your attitude to risk
* This investment reflects your investment objectives
* National Savings are extremely secure and backed by the Government
* All returns are free of taxation
* This investment reflects your access requirements
* They provide a fixed interest rate of <INSERT> above the rate of inflation over a fixed term of <INSERT> years
* The interest rate payable is competitive when compared to similar investments that are available at the current time

**National Savings Premium Bonds**

I have recommended that you invest into National Savings Premium Bonds for the following reasons:

* This investment reflects your attitude to risk
* As part of your larger investment portfolio, this investment reflects your attitude to risk
* You liked the idea of an investment which offers the fun and excitement of a chance of a big win
* This investment reflects your investment objectives
* The underlying capital of this investment is guaranteed
* National Savings are extremely secure and backed by the Government
* All prize winnings are free of taxation
* This investment reflects your access requirements

**National Savings Income Bonds (See British Savings Bond)**

I have recommended that you invest into National Savings Income Bonds for the following reasons:

* This investment reflects your attitude to risk
* As part of your larger investment portfolio, this investment reflects your attitude to risk
* This investment will provide a monthly gross income which is commensurate with your circumstances and requirements
* This investment reflects your investment objectives
* National Savings are extremely secure and backed by the Government
* This investment reflects your access requirements

**National Savings Green Bond**

I have recommended that you invest into a National Savings Green Bond for the following reasons:

* This investment reflects your attitude to risk
* This investment compliments your ESG and SRI investment principles
* This investment reflects your investment objectives
* National Savings are extremely secure and backed by the Government
* This investment reflects your access requirements
* This issue provides a fixed interest rate of <INSERT> over a fixed term of <INSERT> years
* The interest rate payable is competitive when compared to similar investments that are available at the current time

**British Savings Bond**

I have recommended that you invest into a National Savings British Savings Bond for the following reasons:

* This investment reflects your attitude to risk
* You can choose a growth or income version
* This investment compliments your wish to invest in the UK
* National Savings are extremely secure and backed by the Government
* This investment reflects your access requirements
* This issue provides a fixed interest rate of <INSERT> over a fixed term of <INSERT> years
* The interest rate payable is competitive when compared to similar investments that are available at the current time

**Notes on financial products**

National Savings provide a secure place for people to save and are backed by the Government.

**National Savings Children’s Bonus Bond**

Children's Bonus Bonds are no longer on sale. They were created to allow you to invest for your child's future in their own name. All returns were completely tax-free for both child and parent. They were designed to be held for five years and to earn the guaranteed interest rate and a bonus may be payable on the fifth anniversary. Any amount between £25 and £3,000 could be invested for a child per issue with each issue having its own fixed rate of interest. It is possible to cash in the bond early, however, no interest will be payable if cashed in during the first year. For further information on bonds yet to mature, I refer you to the terms and conditions.

**National Savings Certificates**

National Savings Certificates when in issue, guarantee to pay a fixed level of interest over the term of investment. If the Certificates are index-linked the rate will be fixed at a level above the prevailing rate of inflation. The proceeds will be free of taxation. Fixed Interest Savings Certificates are designed to be held for the whole investment term to receive the full compound interest but if you need access to your money you can cash in your Certificate early. No interest is paid if you cash in within the first year.

**National Savings Premium Bonds**

A monthly prize draw gives eligible bondholders the opportunity of winning two £1 million jackpots and almost 2 million other tax free monetary prizes ranging from £25 to £50,000. The prize fund size is set each month by calculating one month’s interest on the total value of all eligible Bonds, at the latest annual rate declared by National Savings & Investments. The odds of a £1 Bond winning a prize is currently around 34,500 to 1.

Your initial investment is capital guaranteed, any prize you receive is free of UK Income Tax and Capital Gains Tax and you do not need to declare it on your tax return.

**National Savings Growth / Income Bonds**

National Savings Income Bonds provide a variable monthly income. The income is paid gross and will be taxed at your highest rate of income tax via your Tax Return. It is possible to access the underlying capital invested at any time, without penalty. Growth or Income Bonds are available to individual or joint investors aged 16 or over with a minimum investment of £500 per person up to a maximum of £1m per person. These have been for all intents and purposes, replaced by new issues of the British Savings Bond. For further information I refer you to the terms and conditions.

**National Savings Green Bond**

Launched in October 2021, this is a new National Savings & Investments three-year fixed savings account which should be held to maturity. The funds raised from UK savers will be used to help environmentally focused projects get off the ground and forms part of the government’s efforts to reach net-zero carbon emissions by 2050. The current fixed rate of interest for Issue 2 is 1.3% AER for 3 years and is paid at maturity. Green bonds are available to anyone over age 16 wishing to invest between £100 and £100,000. Interest is taxable in the tax year that the bond matures.

**British Savings Bond**

The Chancellor of the Exchequer announced in the Spring Budget 2024 that there should be an increased opportunity to help people save for the longer term. He’ll do this by launching British Savings Bonds, delivered through NS&I. The British Savings Bonds will be new 2 year or 3 year fixed-rate Issues of NS&I’s Guaranteed Growth Bonds and Guaranteed Income Bonds. They will offer you a guaranteed return over three years for investments between £500 and £1 million. Interest will be added to your Bond each year, so it grows in value. The Guaranteed Income Bonds version will pay the interest to your bank account each month.

**Personal Savings Allowance (PSA)**

A tax-free allowance of £1,000 for basic rate taxpayers (or £500 for higher rate taxpayers) introduced on 6th April 2016 for interest that is earned on savings or investments, or where an interest distribution from authorised investment funds is paid out. No PSA is available to additional rate taxpayers.

This tax free allowance will allow you to receive interest or certain other investment income up to these amounts before you start to pay tax on savings income.

NS&I and Banks and Building Societies no longer deduct 20% basic rate tax but instead pay the interest earned gross. Non-taxpayers will not need to complete a R85 form.

Any receivable interest over and above the PSA will be subject to the individual’s marginal rate of income tax via PAYE or this must be included within a tax return.

A nil starting rate of tax continues to apply to the first £5,000 of savings income (the limit), but this will not apply where taxable non-savings income exceeds the starting rate limit.