

Newcastle Cash Lifetime ISA



The Lifetime ISA is designed to reward people who are saving for their first home and those who are saving towards retirement. The Lifetime ISA offers a competitive interest rate; plus a 25% government bonus.



This account might be right for you if:

- You have never owned a home and want to save to buy a house in the UK worth up to £450,000
- You are aged 18-39
- You want to save towards your retirement and won't need access to your savings until you reach the age of 60.

This account might not be right for you if:

- You want to save for a house and buy within the next 12 months
- You're 40 or over
- You don't have savings set aside for unexpected bills (for example, an emergency fund).

The Financial Conduct Authority is the independent financial services regulator. It requires us, Newcastle Building Society, to give you this important information to help you to decide whether our Lifetime ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. These Product Special Conditions and the Savings General Terms & Conditions highlight the information which you should consider when applying for this Lifetime ISA. The Newcastle Building Society subscribes to HM Revenue and Customs 'Not in Writing' scheme. As part of the scheme we are required to confirm your Lifetime ISA declaration.

Summary Box	
Account Name	Newcastle Cash Lifetime ISA
What is the interest rate?	<p>Interest rate</p> <p>Annually 1.10% Gross*/ 1.10% AER** (Variable)</p>
	<p>Interest is paid on: The interest is calculated daily and will be credited to the account annually on the account opening anniversary.</p>
Can Newcastle Building Society change the interest rate?	<p>We can change the rate of interest payable on this account. The account is a variable rate account which means that the rate of interest paid may change throughout the lifetime of the account.</p> <p>Please refer to point 6 of the Savings General Terms & Conditions which sets out the reasons for which Newcastle Building Society may change the interest and the procedure for doing so.</p>
What would the estimated balance be after the first 12 months of account opening based on a £1,000 deposit?	<p>The estimated balance after 12 months would be £1,011 assuming that:</p> <ul style="list-style-type: none"> • The account is opened with £1,000 and interest starts being earned straight away • No further deposits or any withdrawals are made • The interest rate stays the same for the full 12 months. <p>The government will also pay a 25% bonus on your contributions each month which isn't included in this estimation.</p>
	<p>Please note: This projection is provided for illustrative purposes only and does not take into account customer's individual circumstances.</p>
How do I open and manage my account?	<p>Opening your account: Online only</p> <p>Giving us instructions for your account: Online, by telephone or by post</p>
	<p>Minimum Opening Deposit: £1 (this is also the minimum balance eligible for the 25% government bonus)</p> <p>Maximum Opening Deposit: £4,000 (this is the maximum LISA subscription per tax year)</p> <ul style="list-style-type: none"> • To open a Lifetime ISA, you must be aged 18 or over but under 40. You must also be either: • resident in the UK • a Crown Servant (for example a diplomat or civil servant) • the spouse or civil partner of a Crown Servant <p>The account can only be opened online.</p> <p>The account can be managed online, by telephone or by post.</p> <p>The first payment into the account can be made by cheque, electronic payment (but not direct debit) from another UK bank or building society in the name of the account holder.</p> <p>After your initial payment, you can also make investments by standing order.</p> <p>You can deposit from £1 up to £4,000 each tax year before your 50th birthday.</p>

Newcastle Cash Lifetime ISA



Can I withdraw money?	Withdrawals or account closures before the age of 60 will incur a penalty of 25% of the amount withdrawn, unless it's to buy your first home, you're diagnosed with a terminal illness or in the event of your death. Section A explains why you may receive less than you paid in and exceptions to the withdrawal charge.
Additional Information	<p>Tax Status: Interest will be paid gross*.</p> <ul style="list-style-type: none"> You cannot open a new Lifetime ISA once you turn 40. You will need to keep at least £1 in your account to maintain your Lifetime ISA benefits The Lifetime ISA is a government savings scheme and may change in the future. You are only permitted to open and fund one Lifetime ISA per tax year. The AER** allows you to compare the interest rates on savings accounts. The higher the AER, the better the return on your savings. All ISA interest is paid tax-free, which means it's exempt from income tax. Tax rules may change in future. This product may be withdrawn at any time and without notice. <p>Your Lifetime ISA limit forms part of your overall ISA limit.</p>

*Gross' interest is the contractual rate of interest.

**AER' stands for the Annual Equivalent Rate, a notional rate which illustrates what the interest rate would be if paid and compounded on an annual basis.

Product Special Conditions

Newcastle Building Society Savings General Investment Terms & Conditions will apply unless they are inconsistent with these Special Conditions, effective from the date of the Account opening.

Lifetime ISA government bonus information:

HMRC will calculate bonus payments for your Lifetime ISA account on a month-by-month basis. Your bonus is calculated on any payments you make into your account from the 6th of the month to the 5th of the following month. Your bonus will be paid into your account within 14 days of the 20th of the following month.

When we receive payment from HMRC, we pay it directly into your account.

You can pay up to £4,000 per financial year (April 6 - April 5) into a Lifetime ISA and the government will pay a 25% bonus. When you turn 50 you can no longer pay into the account and the government bonus will stop, however, you will still receive interest on the balance.

A - How does the withdrawal charge affect my savings?

It's important you only save money you don't need access to in order to avoid being charged for withdrawals. Where the withdrawal charge applies, as well as recovering the 25% government bonus, you'll also lose some of your own savings and will receive less than you invested. This is demonstrated in the example below:

Your actions	Money in	Money out
You open the account with	£4,000	
The government bonus is added	£1,000	
Total	£5,000	
You withdraw early		£5,000
The government charge is 25%		-£1,250
You receive	£3,750	
You lose this much money from your investment		-£250

Please note the 25% penalty charge will be taken from the amount you withdraw, take this into account when you are deciding on the amount you are withdrawing.

This is demonstrated in the example below

Your actions	Amount
You withdraw	£1,500
The government charge is 25%	£375
You receive	£1,125

The example below demonstrates how much you would need to withdraw in order to receive £1500, it does not include any interest earned.

Your actions	Amount
You require	£1,500
You request	£1,875
The government charge is 25%	£375
You receive	£1,500

B - When doesn't the withdrawal charge apply?

A penalty charge would apply to all withdrawals unless:

- You use your Lifetime ISA to buy your first home. Please see the qualifying criteria in section C.
- You have used your Lifetime ISA to save for retirement and you've reached the age of 60.
- You are diagnosed with a terminal illness and have less than 12 months to live.

- In the event of your death.

C - Qualifying criteria for house purchase

You can use your Lifetime ISA to help buy your first home as long as the following criteria are met:

- You made your first payment into your Lifetime ISA at least 12 months before instructing your conveyancer.
- The property value must not exceed £450,000.
- The property must be purchased in the UK with a mortgage, but not a Buy to Let mortgage unless you, or your partner, are a UK Crown employee serving overseas and intend to use the property as your main residence in future.
- You must occupy the property as your main residence immediately on completion, or if you or your spouse/civil partner are a UK Crown employee serving overseas, you must intend to in the future.

D - Can I make more than one withdrawal when I come to buy my first home?

You can make more than one charge-free withdrawal before completion and there's no minimum withdrawal amount, provided that all withdrawals are in connection with the purchase of the property.

E - How do I make a withdrawal to buy a house?

When you come to buy, you'll need to tell your conveyancer you want to use part or all of your Lifetime ISA towards the purchase and provide them with a declaration.

Your conveyancer also has to provide us with a declaration. It's your responsibility to ensure this is provided, but your conveyancer should do this as part of the buying process.

Once we receive the appropriate paperwork from your conveyancer we'll confirm we've received the request and then pay the amount requested to the conveyancer within 30 days without applying the government withdrawal charge.

Your conveyancer should must advise us that your purchase has completed within 10 days of completion.

F - What happens if my purchase is delayed or falls through?

If the purchase doesn't complete within 90 days of the withdrawal, your conveyancer must notify us and return the amount withdrawn within 10 days. Alternatively, if the purchase doesn't complete within 90 days of the withdrawal and an extension is required, your conveyancer should contact us to request one.

If your purchase doesn't complete and funds are not returned a withdrawal charge will apply. When funds withdrawn charge-free for a first time residential purchase are not returned to the Lifetime ISA after the failure of that purchase, the withdrawal charge will be deducted from any funds remaining in the account.

The withdrawal charge in such cases is one third of the amount withdrawn. For example, the net amount withdrawn but not returned to the Lifetime ISA was £4,000, the withdrawal charge due is £1,333.33 (one-third of £4,000).

G - When is the 25% bonus paid into my account?

We will claim the 25% bonus from HMRC on your behalf. HMRC will calculate the bonus based on the contributions you have made each month and pay each month's bonus within 14 days of the 20th day of the following month. The bonus is paid on all contributions you make before you reach the age of 50.

H - What happens if my circumstances change and I don't need my Lifetime ISA to buy a home?

If you no longer require the fund to purchase your first home you can continue to use your Lifetime ISA towards retirement planning. If you require the funds for another reason then a 25% penalty would apply, see section A.

I - What are the risks of using a Cash Lifetime ISA for retirement savings?

You should consider if saving in a cash LISA is the right option for saving towards your retirement. If you are employed, you should consider the potential availability of a workplace pension scheme through an employer which provides employer matched contributions, and your tax position. If you save in a Lifetime ISA instead of enrolling in, or contributing to, a pension scheme from your employer or personal pension scheme:

You may lose the benefit of contributions by an employer (if any) to that scheme; and
Your current or future entitlement to means tested benefits may be affected (these depend on the amount of income and capital you have, which includes savings).

If you decide to use your Newcastle Building Society Lifetime ISA to save towards retirement, you should consider:

- When you intend to retire
- What other provision for retirement you are making (for example contributions to a pension)
- Whether a Lifetime ISA will provide you with sufficient income in retirement.

Lifetime ISAs are available as a cash or a stocks and shares option. Newcastle Building Society offers a Cash Lifetime ISA only. As your circumstances can change over time you should regularly review whether this type of Lifetime ISA is still right for you.

Please be aware that the information we have provided is not advice. If you're considering varying your existing pension arrangements as part of a decision to invest in a Lifetime ISA, you should seek independent financial advice before making any changes.

J - Can I cancel my account?

You have 30 days from the initial account funding date to change your mind. You can cancel your account by letting us know in writing during this period and your cancelled ISA won't count as a Lifetime ISA subscription and you will be able to open another Lifetime ISA in that tax year if you're still eligible. If you choose to cancel you will get back the full amount you have paid in. You will not be entitled to the government bonus or interest within the right to cancel period.

K - Can I transfer my savings to another Lifetime ISA provider?

If you wish, you can transfer your savings to another LISA provider. This will not affect your government bonus payment. If you complete the transfer before receiving your bonus payment, your bonus will be sent onto your new provider.

Newcastle Cash Lifetime ISA



L – If you're not happy with our service

If you are not happy with our services we have an internal complaints procedure. For more information please call us on 0345 734 4345 or visit www.newcastle.co.uk/complaints. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone: 0800 023 4567 or visit www.financialombudsman.org.uk.

For products and services bought online you can also refer to the Online Dispute Resolution platform (ODR) at <http://ec.europa.eu/consumers/odr>. As we're a UK building society, the ODR will still refer you to the Financial Ombudsman Service as the alternative dispute resolution body. The Financial Ombudsman Service will refer you back to our complaints process unless you've already been through this.

Details are correct as at 25th October 2018.

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