

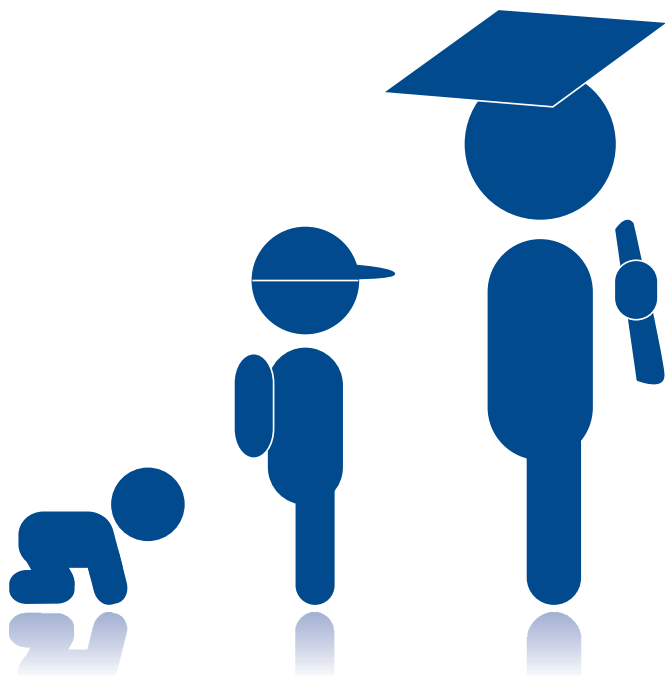
# Junior



the **ODDFELLOWS** SINCE 1810  
*making friends, helping people*

**keyfacts**®

# ISA



Save today for their tomorrow

**Key Features and Terms & Conditions**

# Key Features of the Stocks and Shares Junior ISA

## What is the purpose of this document?

The Financial Conduct Authority (FCA) is the independent financial services regulator. It requires us, 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 carefully so that you understand what you are buying, and then keep it safe for future reference.

## Its aims

- To provide a tax-free lump sum payable on the child's 18th birthday.
- To maximise long term capital growth by investing in stocks and shares.

## Your commitment

- You can open our Junior ISA by committing to invest at least £10 per month or an initial lump sum of £50.
- Once contributions have been paid into the Junior ISA it is considered as a gift to the child and can only be accessed by the child when they reach age 18.
- You (or another person with parental responsibility for the child) agree to be the 'Registered Contact', this being the person responsible for making any and all decisions relating to the plan until the child reaches at least 16 years of age.

## Risks

- The value of your child's investment is likely to fluctuate and the proceeds will depend on the investment performance of the Fund, which cannot be predicted.
- The value of the money invested can go down as well as up. Growth cannot be guaranteed, and your child may receive back less than the value of the contributions paid in and the amount illustrated at outset.
- You should bear in mind that over the mid to long term (5 – 10 years and over), inflation is likely to erode the purchasing power of your child's investment.
- It is unlikely that an investment for a period less than 5 years would return any real growth.
- If your circumstances change preventing you from making further contributions into the Junior ISA we may close it if, at any time, it has no value.
- The tax rules for Junior ISAs could change at any time.



## Important Information

Our Junior ISA is marketed (sold) on a non-advised only basis, no advice given or sought (self sold), and no commission paid to any third party. Whilst we can provide you with factual information, we cannot advise you what to do.

Should you be under any doubt as to whether this product is suitable for you we recommend that you seek the advice of an Independent Financial Advisor (IFA).

If you do not have a financial advisor you can find details of a local financial advisor by telephoning IFA Promotion on 020 7833 3131 or via [www.unbiased.co.uk](http://www.unbiased.co.uk) Using the services of a financial advisor may incur charges, please confirm this with the individual financial advisor.

## Questions and answers

### What is a Junior ISA?

The Junior ISA is an Individual Savings Account which allows investments to grow tax-free and is available to all children living in the UK under the age of 18, who were not entitled to a Child Trust Fund (CTF) Account. In addition CTF investments can be transferred to a Junior ISA providing the CTF account is closed.

The Junior ISA allows for tax free investments to be made on behalf of a child, subject to qualifying conditions laid down by HMRC regulations. Upon reaching 18 years of age the value of the fund is made available to the child as the sole beneficiary.

There are two types of Junior ISA on the market: Stocks & Shares and Cash. We only offers a Stocks & Shares Junior ISA with a small amount of Life Assurance built in.

### Who can open our Junior ISA?

Our Junior ISA can only be opened by someone who has parental responsibility for the child and is aged 16 years or above. The person who sets up the Junior ISA is known as the 'Registered Contact'. This person will be responsible for the running of the Account on the child's behalf until the child reaches at least 16 years of age, or, the registered contact signs over responsibility to another adult with parental responsibility. Once a child reaches 16 years of age they may opt to take over responsibility of the running of their Account themselves.

Our Junior ISA may not be opened in the name of a child who already has a stocks and shares Junior ISA or a Child Trust Fund unless the account is closed and the investments are transferred to our Junior ISA.

### How much can be invested?

Parents, grandparents and other family and friends are able to make contributions to the Account. The most that can be paid into the Account is £4,128 (current limit as at 6 April 2017) in each tax year. It is anticipated that this limit will increase each year in line with Inflation.

Contributions can be made in a number of ways;

- regular monthly payments by Direct Debit or standing order
- payments by cheque - made payable to 'The Oddfellows' with your child's name and Junior ISA number on the back
- payments by direct money transfer – ensuring your child's Junior ISA number is quoted in the transfer

The minimum additional contribution is £10, and contributions can be stopped or changed at any time without penalty.

All money paid into the Account belongs to your child, which can only be accessed when they reach age 18.

### Where is the money invested?

The money is invested in the Oddfellows ISA All-Share Tracker Fund. The investment objective of this Fund is to track the capital performance of the FTSE All-Share Index. As the Fund's investments are spread across a wide range of companies the risk of it being affected by a single underperforming company or sector is reduced.

The contributions you pay are used to purchase units in the Fund.

The investment performance of the Fund will determine the value of your child's Junior ISA.

**Can I change my mind?**

Yes. Once we have accepted the application and opened the Junior ISA we will send you a cancellation notice; you will have 30 days from when you receive this notice to change your mind, however you could get back less than you have paid in. For further details see section 6 in the Terms & Conditions.

**What might my child get back?**

The illustrations below give a guide to how much your investment could be worth in the years ahead using the rates set by the Financial Conduct Authority (FCA) for illustration purposes. What your child will receive depends on how much is invested, the actual rate at which the investment grows and the tax treatment of the investment.

**A. Regular monthly payments**

Assuming that £25 per month is invested for 17 years, the table below shows how much your investment would be worth, after charges, if it grows each year by:

2%	5%	8%
£5,550	£7,230	£9,530

**B. Lump sum investment payments**

Assuming that a single payment of £3,000 is invested for 17 years, the table below shows how much your investment would be worth, after charges, if it grows each year by:

2%	5%	8%
£3,540	£5,800	£9,370

**Please note that for both these illustrations:**

These figures are only examples and are NOT guaranteed. What your child will get back depends on how your investment grows and the tax treatment of the investment. You could get back more or less than the figures quoted.

Do not forget that inflation will reduce what your child can buy with the proceeds of their Junior ISA in the future.

**What are the charges?**

The Society will take a management charge equivalent to 1% per annum of the Fund. A proportion of this charge is deducted weekly from the value of the Fund. It is the only charge made by us on the Junior ISA.

For example, if the value of the fund was £1,000 throughout the year, we would deduct £10 in charges for that year.

Other charges may apply as outlined in section 16 of the Terms & Conditions.



**A. Regular monthly payments**

The effect of these charges on a monthly payment of £25, assuming an average rate of growth of 5% per year, is set out below:

At end of year	Investments to date	Effect of deductions to date	What the value of the Junior ISA might be
1	£300	£2	£306
2	£600	£8	£624
3	£900	£15	£956
4	£1,200	£28	£1,300
5	£1,500	£52	£1,650
10	£3,000	£205	£3,670
15	£4,500	£538	£6,110
17	£5,100	£730	£7,230

The last line in the table shows that over 17 years the total charges could amount to £730.

Putting it another way, this would have the effect of bringing investment growth from 5% a year down to 3.95% a year.

**B. Lump sum investment payments**

The effect of these charges on a lump sum of £3,000, assuming an average rate of growth of 5% per year, is set out below:

At end of year	Investments to date	Effect of deductions to date	What the value of the Junior ISA might be
1	£3,000	£40	£3,110
2	£3,000	£68	£3,240
3	£3,000	£103	£3,370
4	£3,000	£147	£3,500
5	£3,000	£189	£3,640
10	£3,000	£467	£4,420
15	£3,000	£867	£5,370
17	£3,000	£1,076	£5,800

The last line in the table shows that over 17 years the total charges could amount to £1,076.

Putting it another way, this would have the effect of bringing investment growth from 5% a year down to 3.95% a year.

### **How do I keep track of the investment?**

We will issue a statement annually which will show the value of the Junior ISA plan.

You can also contact us at any time to ask for a valuation.

### **What happens at age 18?**

The money in your child's Junior ISA will be available to them on their 18th birthday. The money cannot be kept in the Junior ISA after reaching age 18, but can be re-invested into an adult ISA if they wish. Verification of the child's identity may be performed at this time.

### **Can I cash in the Account?**

No one can access the money in the Account before your child reaches age 18, except in certain exceptional circumstances.

### **What happens if my child dies or becomes terminally ill?**

If your child should die before their 18th birthday, 101% of the value of the Junior ISA on the date of death will be paid to the child's estate.

If your child becomes terminally ill before their 18th birthday, it may be possible to withdraw money from the Account for the benefit of the child, subject to the consent of HMRC. A person is considered to be 'terminally ill' when the life expectancy is estimated to be six months or less.

### **Can I transfer my child's Junior ISA or CTF?**

Yes, you can transfer your child's Junior ISA or CTF investment to us and we will not make a charge.

To do this, the registered contact will need to complete a transfer form. This can be obtained by calling us on **0151 724 7130**.

When we receive this we will contact the other provider once any cancellation period has expired.

### **Can I transfer my child's Junior ISA to another provider?**

Your child's investment in our Junior ISA can only be transferred to another Junior ISA provider.

### **What is the tax situation?**

All investment growth generated by Junior ISA investments is exempt from income tax and capital gains tax for UK residents. The proceeds of the Junior ISA, which will be paid out on the child's 18th birthday, will be tax free as long as they are resident in the UK.

Tax could be payable on any income earned or gains realised by investments still held in the child's name after their 18th birthday, or after their death if they die before the age of 18.

Taxes and legislation may change in the future. The information given here is based on our understanding of the current situation at the date of publication. If you have any queries or concerns about your personal tax position we recommend you consult your local tax office or a financial adviser.

## Terms & Conditions of the Stocks and Shares Junior ISA

These Terms, together with the Application Form, form a legal agreement between you us which sets out how the Junior ISA will be operated.

### 1. Definitions

The following words and expressions, when used in these Terms, have the meanings set out opposite them:

**Accounts or Junior ISA** – an Oddfellows Individual Savings Account governed by these Terms and which is a Stocks and Shares Junior ISA.

**Account investments** – shares, units and any other investments held in the Junior ISA Account.

**Account Manager or Oddfellows** – The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited.

**Application Form** – an Oddfellows Junior ISA application form or transfer application form;

**Assets** – investments, income, interest, cash deposits and any other rights and entitlement from time to time held within the Account.

**Business day** – any day when the London Stock Exchange is open for business;

**Child** – the child under who's name the Junior ISA will be set up and who does not have a Child Trust Fund opened in their name.

**FCA** – Financial Conduct Authority.

**Fund** – the Oddfellows ISA All-Share Tracker Fund.

**Junior ISA** – a Junior Individual Savings Account managed under the Regulations.

**Price** – the price of a unit in a fund. This is the price determined on a Valuation Day.

**Registered Contact** – the person taking out the Junior ISA for the child, normally the person with parental responsibility.

**Regulations** – the Individual Savings Account Regulations 1998, as from time to time amended and in force.

**Society** – The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited.

**Subscription** – a payment, in sterling, to be applied to the Account.

**Terms** – these Terms (as amended from time to time), together with the Application Form.

**Unit** – a proportion of a relevant Oddfellows fund, as determined by Oddfellows.

**Valuation day** – any day on which the price of units in a fund is calculated. Normally each working Monday.

**We, us and our** – The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited.

**Year** – a tax year beginning on 6 April in any calendar year and ending on 5 April in the following year.

**You and your** – the Registered Contact who is authorised to manage the Account under these Terms.

These Terms will be governed by and construed in accordance with the law of England and Wales. Reference to any statutory provision or regulation includes any modification or re-enactment.

Any headings and subheadings are not a legally binding part of these Terms. Where appropriate, the words in the singular will include the plural, and the masculine will include the feminine.

## **2. Account Manager**

- a)** The Society agrees to act as Account Manager for your Account. We do not review the Account portfolio and we do not give advice about your Account. We are registered by the FCA in the conduct of our investment business.
- b)** Our address is The Oddfellows, c/o 30 Mather Avenue, Liverpool, L18 5HT.
- c)** We may appoint any person to advise on or perform any of its functions or responsibilities under these Terms and may provide information about you and the Account to any such person. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions or responsibilities.
- d)** We may amend these Terms by writing to you. Any amendments will comply with the regulations and the rules of the FCA.

## **3. Application to Open an Account**

- a)** Your application form must be completed to open an Account. Subject to the regulations, the Account will be managed in accordance with your directions set out in your application form.
- b)** These Terms will come into force when your Application Form is accepted by us, and your first investment is made. On acceptance, each new Account will be designated by us as a Stocks and Shares Junior ISA. You can only subscribe to one Stocks and Shares Junior ISA for each child for which you are the registered contact. We reserve the right to reject any application.
- c)** Payments into the Account can be from any source of funds.
- d)** You (or anyone else) may invest one or more lump sums in the Account during the Year. In addition, or alternatively, when provided in the application form you (or anyone else) may make regular contributions by Direct Debit, standing order, cheque or direct money transfer. You must submit with your application form a cheque for the full amount of the initial subscription (in the case of a lump sum investment) and/or a Direct Debit instruction to a bank or building society (in the case of regular contributions).
- e)** You (or anyone else) will be sent an acknowledgement when you make a lump sum contribution or set up a monthly contribution.

## **4. Minimum Subscriptions**

### **a) Lump Sums**

The minimum initial investment is as specified in the application form. Additional lump sum contributions are subject to a minimum of £10.

### **b) Monthly Contributions**

The minimum monthly contribution is £10. Monthly Direct Debits will normally be collected on the first of each month and invested by us in the relevant fund at the price on the valuation day following receipt of the money. If the first of the month is not a business day the payment will be collected on the next business day. If new Direct Debit instructions are received before the last 10 business days of the month, the first monthly payment will be collected by Direct Debit on the first of the following month, otherwise it will be collected on the first of the month after next.

### **Direct Debit Guarantee**

This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.

- If there are any changes to the amount, date or frequency of your Direct Debit we will notify you 10 working days in advance of your Account being debited or as otherwise agreed. If you request us to collect a payment, confirmation of the amount and date will be given to you at the time of the request.



- If an error is made in the payment of your Direct Debit by us or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when we ask you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

You should inform us in writing if you wish to increase or decrease your monthly contribution, or to stop saving (either temporarily or completely). If your instructions are received at least 10 working days before the next collection date, we will normally give effect from that date.

## 5. Maximum Subscription

The maximum you can subscribe to our Stocks and Shares Junior ISA for the tax year 2017/18 is £4,128.

If we receive a payment which takes the Account over this limit within 14 calendar days of the end of the tax year, we will not invest the payment or the part of that payment that exceeds the limit. Instead, it will be held and invested as soon as the new tax year starts. At any other time, we will reject any payment or part of that payment that exceeds the limit and return it.

## 6. Cancellation

You have the right to cancel your application within 30 days of acknowledgement of receipt of your application form. If you exercise your right to cancel we will sell any units held. If the value of the Account has fallen, the amount repaid to you will be less than the amount you paid in.

If we do not hear from you within the 30 day cancellation period your cancellation rights will expire. Under these circumstances the Junior ISA will remain open, with all monies paid in becoming the property of the child.

Any additional contributions paid into the Junior ISA after the cancellation period has expired will have no cancellation rights.

## 7. Investment Strategy

Accounts will be invested in the Fund which has exposure to a diversified range of investment stocks and shares.

## 8. Account Investments

- The Account will hold an Oddfellows life policy, which invests in one or more of the Oddfellows unit-linked life funds.
- The Account includes investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.
- Money received will be invested on the valuation date following the receipt and no interest will be paid on cash held pending investment. We do not accept liability for default by any bank which holds cash for the Junior ISA Account.
- We will automatically reinvest all income in respect of Account investments net of any tax liability.



## **9. Title**

- a)** The Account investments shall be in the beneficial ownership of the child at all times and the child will be a member of the Society.
- b)** No share certificate will be issued to the registered contact of the child. We (or a nominee) will hold any title documents or documents evidencing title to the Account investments.
- c)** We will not lend Account investments or the title documents to a third party and will not borrow against the security of Account investments or such documents.

## **10. Taxation**

We will make all necessary claims for tax relief relating to the Account. The tax situation may change in the future.

## **11. Statements**

We will send you a statement before the end of each tax year, showing the value of the Account and details of all transactions in the Account since the previous statement. The statements will not include a measure of performance.

## **12. Benefits**

- a)** Maturity – on the child's 18th birthday the Account will mature and the child will be entitled to the benefits. The benefits will be calculated as the value of units using the unit price at the date of child's 18th birthday.
- b)** Death – on the death of the child before their 18th birthday the Account will pay 101% of the value of units using the unit price at the date of death.

## **13. Withdrawals**

Investments in the Account may only be withdrawn in the following circumstances:

- a)** Terminal illness – where a terminal illness claim made on behalf of the child has been confirmed by HM Revenue and Customs.
- b)** Transfer – on transfer to another Junior ISA provider the amount transferred will be calculated as the value of the units on the valuation day after we receive all the necessary information to proceed with the transfer.
- c)** For stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the Account.
- d)** For charges agreed between the Account Manager and you for the management of the Account.
- e)** On closure of the Account.

## **14. Transfer in from another provider**

- a)** You may transfer a Junior ISA or CTF, held with another provider to us. Transfers will only be accepted in the form of payment by cheque from the previous Junior ISA/CTF provider.
- b)** Upon receipt of a completed transfer form, you will have 30 days in which to cancel the transfer. After this period has expired, the transfer will be processed.

## **15. Transfer out to another Provider**

On the instructions of the new provider and within a reasonable business period subject to a maximum of 30 days, the Account investments will be sold and the proceeds transferred together with all rights and obligations free of charge (except charges such as stamp duty and other dealing costs connected with the disposal or acquisition of investments) to the new provider.

## **16. Charges**

Charges for the Account management will be made up to a maximum of 1% per year. The following charges and expenses may be deducted in full from the Account and are not subject to and do not count towards the maximum charge of 1% per year.

- a) any stamp duty, stamp duty reserve tax or other charges incurred directly or indirectly in the sale or purchase of investments held under the Account;
- b) any charges or expenses incurred directly or indirectly in complying with an order of the court or any other requirements imposed by law.

## **17. Unit Prices**

- a) The price of units in the Fund is calculated on the valuation date and can be obtained by telephoning the office on **0151 724 7130**.
- b) We will buy or sell units for you using the price applying on the valuation day (using the price after valuation has taken place on that day) immediately following receipt of a contribution. Units are single priced i.e. the price at which units are bought or sold is the same.
- c) The number of units allocated to your Account will be calculated by dividing the contribution by the appropriate unit price.
- d) The price of units at any time reflects the fund management charge of up to 1% pa.

## **18. Void Accounts**

- a) The Account will be managed in accordance with the regulations, which take precedence over these Terms.
- b) We will notify you if, as a result of any failure to comply with the regulations, the Account is or becomes void.
- c) When an Account is voided, we will sell the Account investments and pay you the proceeds together with any cash balance held in the Account. We may deduct any charges or other amounts due to us. Should this withdrawal result in any tax becoming payable, it will be for you to account for such tax to HM Revenue and Customs on the child's behalf.

## **19. Notices and Instructions**

- a) Notices and instructions to us should be in writing and signed by you.
- b) Notices and other documents to be given to the child will be posted to you at the last registered address and will be considered received two days after posting.
- c) You must inform us promptly if you change your home address.
- d) We are entitled to treat as valid instructions given by you, or on your behalf, even if that is not the case because of the wrongdoing of another person, unless that person is an employee or agent of the Account Manager.

## **20. Liability**

- a) You indemnify us against all liabilities incurred by us in connection with the Account, other than liabilities caused as a direct result of our negligence, knowing default, or breach of the rules of the FCA or of these Terms.
- b) We are liable for our negligence, knowing default, and for any breach of the rules of the FCA or of these Terms. We are not liable for any loss caused through a fall in value of Account Investments.
- c) We accept no responsibility for the Account until cleared funds are received, nor for any loss or delay caused in the payment of funds to us.
- d) For the purposes of this paragraph 20, references to you include your (or the child's) personal representatives and references to the Account Manager include its nominees.
- e) You agree to indemnify us against any liability we may incur in connection with the Account arising from any action you take or fail to take.

## **21. Data Protection**

- a)** The information you provide us with will be held by the Society.
- b)** It will be used for setting up and administering your Account.
- c)** We may be required by law to disclose information regarding you or your Account to the regulatory authorities.
- d)** We will not share your information with other third parties for marketing purposes.
- e)** We may contact you in the future by post, email or telephone regarding your investment, financial and insurance needs. If you do not wish to receive this information then please notify us.

## **22. Law**

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

## **23. Language**

The contractual terms and conditions and all communications in relation to the Account will be supplied in English.

## **24. Complaints**

If you wish to complain about any aspect of the service you have received, please contact the Compliance and Risk Officer, The Oddfellows, Oddfellows House, 184-186 Deansgate, Manchester M3 3WB. If your complaint is not dealt with to your satisfaction, you can then complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080 1800, [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

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

## **25. Compensation**

We are covered by the Financial Services Compensation Scheme. If we cannot meet our obligations your child may be entitled to compensation under the scheme. The compensation limits are 100% of the first £50,000 – with the maximum compensation being £50,000. Further information on the scheme can be obtained from the Financial Services Compensation Scheme. Tel: 020 7892 7300, [www.fscs.org.uk](http://www.fscs.org.uk).

## **General information**

**Should you require any additional information please contact our Insurance Department at the following:**

**Phone 0151 724 7130      Fax 0151 724 1971**

**Email [jisa@oddfellows.co.uk](mailto:jisa@oddfellows.co.uk)  
(9am to 5pm Monday to Friday)**

The Oddfellows is the trading name of The Independent Order of Odd Fellows Manchester Unity Friendly Society Limited, Incorporated and registered in England and Wales No. 223F. Registered Office Oddfellows House, 184-186 Deansgate, Manchester M3 3WB. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration No. 109995