

Lifetime Individual Savings Account (LISA)

Factsheet 2026/2027

A Lifetime ISA (LISA) is a tax-efficient savings and investment account designed to help you either purchase your first home and/or build funds for retirement.

Types of Lifetime ISA

Stocks and Shares (Equity) LISA

A Stocks & Shares LISA invests in a range of assets, including shares, bonds, unit trusts and OEICs, and cash.

The value of investments can fall as well as rise, and you may get back less than you invest. Past performance is not a reliable indicator of future returns.

Cash LISA

A cash LISA holds savings in cash only but may offer variable or fixed interest rates. Often suitable for shorter-term savings or lower risk preferences.

Government Bonus

LISAs are available to open for individuals aged 18 to 39. You can contribute up to £4,000 per tax year until age 50.

The government adds a 25% bonus (up to £1,000 per year), which is claimed automatically, and typically paid within 4–8 weeks.

LISA contributions count towards your overall £20,000 annual ISA allowance.

Using your Lifetime ISA

First Home Purchase

Funds can be withdrawn **tax-free** if:

- The property is in the **UK**
- Purchase price is **£450,000 or less** and it is purchased with a **mortgage**
- You are a **first-time buyer**, and it will be your **main residence**

Your conveyancer will arrange the withdrawal directly with the provider.

Retirement

- Funds can be withdrawn **tax-free from age 60**

Other Withdrawals

- A **25% government withdrawal charge** applies which can result in you receiving **less than you originally contributed**.
- **Example:** Withdrawing £5,000 would incur a £1,250 charge, leaving £3,750.

Transferring your existing LISA

You can transfer a Cash LISA to a Stocks and Shares LISA and a Stocks and Shares LISA to a Cash LISA. Transfers are **not** counted as part of your annual ISA allowance and there is no loss of tax benefits. Transfers from an ISA to a LISA do use your £4,000 LISA allowance.

Future of the LISA

The government is consulting on replacing the Lifetime ISA (LISA) with a new, simpler ISA product for first-time buyers, which is expected to be implemented in April 2028.

Risks

The full product particulars supplied by the insurer or investment house should be read for specific details as this is only a summary. Once you have made the investment, its value can go down as well as up. Past performance is no guarantee of future performance. You may not get back the amount originally invested.

Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from taxation are subject to change.

LISA Key Facts

Key Benefits

- All income and investment growth is free from income tax and capital gains tax.
- Funds can be withdrawn tax-free when used for:
 - Purchasing a first home (subject to eligibility criteria), or
 - From age 60 onwards
- The government adds a 25% bonus to contributions:
 - Up to £4,000 can be contributed each tax year
 - Maximum annual bonus of £1,000

Contribution Limits (2026/27)

- Annual LISA contribution limit: £4,000
- Counts towards the overall £20,000 ISA allowance
- You may contribute to other ISAs alongside a LISA, within the overall limit

Important Considerations

- Withdrawals for purposes other than a first home purchase or after age 60 are subject to a 25% government charge. This may result in receiving less than the amount originally invested.
- Property value must not exceed £450,000
- The purchase must be for your first residential property