

**Guaranteed Income Bonds**

**Important information**

**Print-friendly leaflet**

# **We've made some changes**

We're simplifying our range of accounts and investments to make them more consistent and easier to understand.

Read this leaflet to find out how the changes will affect you.



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**This document has been downloaded from nsandi.com, and is correct as of February 2016.**

**It's suitable for printing at home, and can be used with screen-reading software.**

**For alternative versions of this leaflet, please see page 6.**

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## Why we're changing Guaranteed Income Bonds

NS&I has looked after the nation's savings for over 150 years, and now over 25 million people trust us with their money. As well as offering you a secure home for your savings, we will always aim to deal with you in a straightforward and honest way.

Like any other organisation, we have to move with the times. So we're modernising our systems and encouraging our customers to deal with us directly – online, by phone and by post.

We're also simplifying our range of accounts and investments to make them more consistent and easier to understand. As part of these plans we're making changes to Guaranteed Income Bonds.

### Why you need to read this leaflet

You have a Guaranteed Income Bond that's about to mature. We're making changes to this investment, so if you renew your Bond for another term it will work differently.

You'll need to understand the new features of the investment before you decide what to do next. So please read this leaflet and the enclosed terms and conditions. And if you have any questions, we're here to help.

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## What's new? The changes at a glance

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### Financial changes

- Higher investment allowance

### Looking after your investment

- Annual statements to help you keep track
- New online and phone service

### Rules for investors

- Joint investors can combine their investment allowance

## About NS&I Guaranteed Income Bonds

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### How do they work?

Guaranteed Income Bonds are lump sum investments that pay out monthly income for a set period of time called a 'term'. They earn a fixed rate of interest that is guaranteed for the length of term you invest in.

We calculate your interest on the daily balance held in your Bond, at the fixed rate on offer when you invested. We then pay the interest monthly to your nominated bank account on the same day of the month as the day you bought your Bond. For example, if you bought your Bond on 10 March, your interest payments would be on 10 April, 10 May and so on.

### What about tax?

The interest earned on Guaranteed Income Bonds is taxable. We used to pay the interest net of tax, but from 6 April 2016 we will pay the interest gross (ie without tax being taken off). From that date, basic rate taxpayers have a tax-free Personal Savings Allowance of £1,000 on the interest earned on their savings (£500 for higher rate taxpayers).

The interest you earn on your Bond counts towards your Personal Savings Allowance and, depending on your circumstances, you may need to declare it to HM Revenue and Customs. To find out more, you can download a factsheet by searching for 'Personal Savings Allowance'.

### Our commitment to you

In offering Guaranteed Income Bonds to you, we're making a commitment to pay you guaranteed rates of interest for the whole of the term you choose to invest in.

### Your commitment to us

In return, we ask you to keep your money invested with us for the whole of your chosen term. However, we appreciate this may not always be possible and you may need the money before the end of the term.

So with our Guaranteed Income Bonds you can cash in your money early, but there is a penalty for doing so.

Our savings and investments are backed by HM Treasury and are 100% secure.

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## Check what the changes mean for you

### **Making larger investments**

We've increased the investment allowance to £1 million per person per Issue.

### **Keeping track of your money**

We'll send you a statement for each Bond you hold after the end of each tax year, to help you see what you've earned. You'll also be able to use our online and phone service to keep track of your Bonds at any time.

### **Owning Bonds in joint names**

You can now combine your full allowance and invest up to £2 million in each Issue (when on sale) in joint names. (This applies to new investments only.) And, if you both agree, either of you will be able to take money out and close the investment independently.

### **When do the changes start?**

The changes only apply to the Bond we are writing to you about if you decide to renew it when it matures. If you have several Bonds bought at different times, the maturity dates will be different.

They will carry on as normal for the time being – we'll write to you shortly before each one matures to let you know when it's changing.

## The changes in detail

### **Higher investment allowance**

You can now invest up to £1 million per person in each Issue of Guaranteed Income Bonds that we release for general sale.

The £1 million limit used to apply to the total amount you held in all Issues of Guaranteed Income Bonds and Guaranteed Growth Bonds.

### **Letting you know when your investment matures**

We want to make sure you have enough time to make a decision, so we will write to you 30 days before your Bond matures.

If you decide to renew your investment, you'll be making a commitment to keep your money with us for the whole of your chosen term. (If you can't make this commitment, this may not be the right investment for you.)

Your renewed investment will then work as described in this leaflet. Please also read the separate **Key features** leaflet, which includes the terms and conditions.

### **Your record of investing**

We've designed a new investment record that looks different from the certificate of investment you've had before. We'll explain this in more detail if you decide to renew your Bond.

### **Keeping track of your investment**

We'll send you an annual statement showing the value of your Bond and how much gross interest you've earned. We'll do this shortly after the end of each tax year.

We'll send you a separate statement for each Bond you hold and it will now include details of any transactions you have made during the year, for example if you have cashed in part of a Bond.

### **Joint investments**

Joint investors can now combine their allowance to invest up to £2 million per Issue (when on sale). For new Bonds starting on or after 20 September 2012, you will both be able to take money out and close the investment independently.

If you invested jointly before 20 September 2012, and you choose to renew the Bond for another term of the same length, we'll check with you first before allowing either investor to take money out by themselves.

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## Keep track of your money

### Quick, easy and secure

For some time you've been able to buy Bonds online and by phone. We've now extended our service. You can now manage your Guaranteed Income Bonds, and most other NS&I accounts and investments, online and by phone. It's a secure and convenient way to keep track of your money with NS&I 24 hours a day, 7 days a week.

Only new or renewed Bonds starting on or after 20 September 2012 can be managed online and by phone. Don't worry, any previous fixed term investments you have with us are still valid – just keep your original certificates of investment for these. They won't show up online but your money is still safely held at NS&I.

## How to register

### Visit our website

[nsandi.com/register](http://nsandi.com/register)

### Call us

**0500 007 007**

### Register and you'll be able to:

- Keep track of your money and get valuations
- Cash in
- Apply to invest in new Bonds (when Issues are on sale)
- Keep your details up to date including your address, email and nominated bank accounts
- Go paperless (available online only)

Not all services are available for trustees or attorneys.



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## Always here to help you

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**Find us online**  
**[nsandi.com](http://nsandi.com)**

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**Call us**  
**0500 007 007**

You can call us any time.  
We're here in the UK all day,  
every day.

Calls from mobiles and some  
landline providers may not  
be free.

Calls may be recorded.

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**Write to us**  
**NS&I, Glasgow G58 1SB**

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**Tweet us**  
**[@nsandihelp](https://twitter.com/nsandihelp)**

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### **Alternative versions of this leaflet**

Ask us for a version in:

- Braille
- Audio tape or CD
- Large print

### **Do you use a Minicom?**

Minicom (textphone) users can  
contact us on **0800 056 0585**

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