The Nottingham Building Society

Taxation of SAVINGS INTEREST *is changing*

Savings

...Currently, banks and building societies are required to take basic rate tax from their customers' savings interest.

From... APRIL 6

...the Personal Savings Allowance (PSA) will mean...

...they stop doing this, because the vast majority of people will have no tax to pay on this income.

Saving income can include:

- ✓ Interest from building societies and banks
- ✓ Other providers such as credit unions
- ✓ Income from Government bonds
- ✓ Certain purchased life annuities

(Income from ISAs are excluded from the PSA)

6th April 2016

The changes will affect any interest paid on or after 6TH APRIL 2016

It does not matter if the money was invested into an account before this date. The main driver is the date interest is paid.

The amount of allowance you can receive depends on your tax status:

If your total taxable income is less than £17,000, **you won't pay any tax on your savings income**

TAX-FREE

If you are a basic rate taxpayer, up to **£1,000** **of your savings income will be...**

TAX-FREE

If you are a higher rate taxpayer, up to **£500** **of your savings income will be...**

TAX-FREE

Savers do not need to do a thing to qualify for the PSA

Building societies and banks will simply stop applying tax to savings interest from **6th April 2016**. That means customers no longer need to register to receive saving interest gross (with an R85).