

NS&I issues new inflation-beating savings

Submitted by: pr-sending-enterprises

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NS&I launch new opportunity to invest up to £15,000 in inflation-beating tax-free savings issue

NS&I has announced the release of two new issues of Inflation-Beating Savings, also known as Index-linked Savings Certificates. These give savers the chance to invest up to £15,000 tax-free* per issue. The Certificates are the only form of savings available in the retail market that offer a 100% safe, tax-free* home, with a guaranteed inflation-beating return.

The value of the Index-linked Savings Certificates (<http://www.nsandi.com/products/ilsc/index.jsp>) moves in line with inflation as measured by the Retail Prices Index (RPI), and interest is added on each anniversary. The Certificates are designed to be held for the whole investment term to receive the full guaranteed compound interest, as the guaranteed rates of extra interest increase each year during the term. This means the returns outstrip any rise in RPI inflation and, as nothing is taken away in tax, the spending power of the investment is increased by the end of the term.

This is the first time that a continuous period of deflation has been experienced since NS&I's Index-linked Savings Certificates were launched in 1975. Interest and any positive index-linking are applied annually on each anniversary date. However, if index-linking is negative from one anniversary to the next, it is ignored and the extra interest is still added.

With the introduction of these new issues, the previous issues - which were available from June 2008 - have been removed from sale. People who already have an investment in a former issue of Inflation-Beating Savings are also eligible to invest in the new issues.

NS&I Inflation-Beating Savings key features:

- Savings grow ahead of inflation, as measured by the RPI
- Minimum investment of £100, maximum investment £15,000 per issue
- All returns are tax-free*
- Interest and any index-linking added at the end of each year
- Designed to be held for 3 or 5 year terms, no interest or index-linking paid if cashed in during the first year
- Capital invested is 100% secure

Notes to Editors

Tax-free means that interest and index-linking are exempt from UK Income Tax and Capital Gains Tax.

About NS&I

National Savings and Investments is one of the largest savings organisations in the UK, offering a range of savings and investments to almost 27 million customers. NS&I is best known for Premium Bonds, but also offers a range of savings accounts (<http://www.nsandi.com/products/fisc/index.jsp>) including easy access savings accounts (<http://www.nsandi.com/products/easa/index.jsp>), savings bonds, investment savings accounts (<http://www.nsandi.com/products/invac/index.jsp>), and children's bonus bonds. All products offer 100% capital security, because NS&I is backed by HM Treasury.

PR contact:
Iman Asante
National Savings and Investments
375 Kensington High Street
London
W14 8SD
020 7348 9301
www.nsandi.com

Further information and digital images are available from the NS&I media team. An ISDN line is available for interviews.