



Lifetime ISA

You can use a Lifetime ISA (Individual Savings Account) to buy your first home or save for later life. You must be 18 or over but under 40 to open a Lifetime ISA.

You can put in up to £4,000 each year, until you're 50. You must make your first payment into your ISA before you're 40.

The government will add a 25% bonus to your savings, up to a maximum of £1,000 per year.

The Lifetime ISA limit of £4,000 counts towards [your annual ISA limit \(/individual-savings-accounts/how-isas-work\)](#). This is £20,000 for the 2025 to 2026 tax year.

You can hold cash or stocks and shares in your Lifetime ISA or have a combination of both.

When you turn 50, you will not be able to pay into your Lifetime ISA or earn the 25% bonus. Your account will stay open and your savings will still earn interest or investment returns.

To open and continue to pay into a Lifetime ISA you must be a resident in the UK, unless you're a crown servant (for example, in the diplomatic service), their spouse or civil partner.

Withdrawing money from your Lifetime ISA

You can withdraw money from your ISA if you're:

- buying your first home
- aged 60 or over
- terminally ill, with less than 12 months to live

You'll pay a withdrawal charge of 25% if you withdraw cash or assets for any other reason (also known as making an unauthorised withdrawal). This recovers the government bonus you received on your original savings.

Example 1

Assuming no growth, initial savings of £800 will earn a 25% government bonus of £200 and give you a pot of £1,000. If you wish to withdraw the entire pot, a 25% charge will apply to the full £1,000. You'll have to pay a government withdrawal charge of £250. This will leave you with £750.

If you only wish to access some of your money, you'll have to take the withdrawal charge into account when requesting funds. You'll

have to withdraw more than the amount you need, to cover your needs and the 25% withdrawal charge.

Example 2

If you need enough cash to cover a £120 bill, you'll have to withdraw more than you actually require. Withdrawing £160 means you pay a 25% withdrawal charge of £40 and receive £120 in cash to meet the bill.



Buying your first home

You can use your savings to help you buy your first home if all the following apply:

- the property costs £450,000 or less
- you buy the property at least 12 months after you make your first payment into the Lifetime ISA
- you use a conveyancer or solicitor to act for you in the purchase - the ISA provider will pay the funds directly to them
- you're buying with a mortgage

You cannot use your savings to buy a home if you're getting a private mortgage from:

- your relative (a parent, grandparent, child, grandchild or sibling)
- someone who is married or in a civil partnership with your relative
- your spouse or civil partner
- a relative of your spouse or civil partner
- someone who is married or in a civil partnership with a relative of your spouse or civil partner

Buying with someone else

If the person you're buying with has a Lifetime ISA, you can both use your savings and government bonus.

To qualify you must both:

- be first-time buyers
- meet all the conditions under 'Buying your first home'

If you have a Help to Buy ISA

If you have a [Help to Buy ISA \(/affordable-home-ownership-schemes/help-to-buy-isa\)](https://www.gov.uk/help-to-buy-isa) as well as a Lifetime ISA, you can only use the government bonus from one of them to buy your first home.

You can transfer money from a Help to Buy ISA to a Lifetime ISA. If you transfer money from a Lifetime ISA to a Help to Buy ISA you'll have to pay the 25% withdrawal charge.

Saving for later life

You can take your savings out of a Lifetime ISA when you're 60 or over.

You'll pay a 25% charge if you withdraw money or [transfer the Lifetime ISA to another type of ISA \(/individual-savings-accounts/transferring-your-isa\)](#) before 60.

If you die ([/individual-savings-accounts/if-you-move-abroad-or-die](#)) your Lifetime ISA ends on the date of your death. There's no charge to withdraw the funds or assets from your account.

A Lifetime ISA is one of a number of ways to [save for later life \(/plan-retirement-income/get-financial-advice\)](#).



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