

Government bonus example

Mr Smith invests a total of £4,000 during the 2017/18 tax year in his Lifetime ISA. He is entitled to receive a government bonus of £1,000 that should be claimed by the ISA manager within 14 days after 5 April 2018.

Investor terminally ill example

On 6 April 2017 Mrs Jones opened a Lifetime ISA with a single £4,000 payment. On 6 January 2018 she informs (with suitable supporting evidence) her Lifetime ISA manager that she is terminally ill with less than 12 months to live. The Lifetime ISA manager is therefore in receipt of notification within the claim period ending 5 February 2018 and a claim for the government bonus of £1,000 should be made no later than 19 February 2018.

However, the £1,250 withdrawal charge will not be due if a 'lifetime event' occurred on 7 April 2018 e.g. Mr Smith has died or has provided evidence that he has a terminal illness.