Want to know more?

If you want more information, here are some useful contact details:

- Visit www.childtrustfund.gov.uk for more about how the CTF works
- Call the Child Trust Fund Helpline on 0845 302 1470, open 8am to 8pm, 7 days a week, excluding 25th and 26th December and 1st January
- Textphone 0845 366 7870 (opening hours are as above)

If you feel you need further help you could:

- Speak to an Independent Financial Adviser (there may be a charge)
- Ask at voluntary organisations such as your local Citizens Advice Bureau

HM Revenue & Customs

XXXXX (April 2006)

Child Trust Fund
What will yours grow into?

Child Trust Fund

Need help choosing a Child Trust Fund account?

Use our handy toolkit.

Choosing a Child Trust Fund account. With a little help, you can do-it-yourself

Nail down the right kind of account

We all want to make the best decisions for our children but sometimes we need a little help. So we've created a decision-making toolkit to help you choose a Child Trust Fund account. You should have received an information pack telling you about the Child Trust Fund but why not read our brief step-by-step guide below to remind yourself about what you need to do.

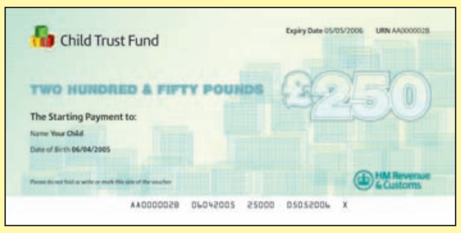
A step-by-step guide to the Child Trust Fund

1 The Child Trust Fund is a long-term savings and investment account

It s been created specially for children and you should have received a £250 voucher from the Government to start the account.

2 You'll need your Child Trust Fund voucher to open an account

If you haven t received it or have lost it, call the Child Trust Fund Helpline on 0845 302 1470.



3 Choose the type of Child Trust Fund account for your child

There are three types of account:
a stakeholder account; a shares account (non-stakeholder); a savings account (non-stakeholder). Open up this leaflet to find a chart that describes the accounts in more detail. This will help you decide.

You can always change the account if you re not happy. But no matter which you choose neither you nor your child will pay tax on the money earned in the account.

4 Choose a Child Trust Fund provider

Secure your child's money with a provider

There are lots of Child Trust Fund providers, from banks and building societies to post offices and supermarkets. Pick one from the list in your information pack or visit www.ctfhelp.com/providers for the most recent version. The list will show you the type(s) of account each provider offers. Alternatively, call the Child Trust Fund Helpline on 0845 302 1470.

Be sure to ask providers about any fees charged for running the account.

You should also ask about making further contributions. You can pay as little as £10 into a stakeholder account but some providers may require larger payments for other accounts.

5 Ask your chosen Child Trust Fund provider for an application form

Simply fill in the form and take or post it with your child s voucher to your chosen Child Trust Fund provider. You can also open an account by phone or online with some providers.

Which type of Child Trust Fund account for my child?

The Child Trust Fund (CTF) is a long-term investment. Choosing an account that invests in shares could mean your child s money grows to a larger sum. But you could get back less than you put in. How do you feel about this?

I am happy to invest in shares and take a higher risk if it means my child might get more at 18.

I understand that investing in shares and taking some risk might mean my child gets more at 18, but I m a little unsure about shares.

I don t want to take the risk of investing in shares and realise my child might get less at 18.

Shares account (non-stakeholder)

- Invests in companies shares
- It grows if those shares do well
- Shares accounts almost always do better than savings accounts
- This has been the case for every 18-year period in the last 40 years
- Shares can fall as well as rise so you could get back less than the amount put in
- There are no rules to reduce the risk when investing for the longer term
- There is no limit on the charges your CTF provider can make for running the account

Stakeholder account

- Invests in companies shares
- It grows if those shares do well
- Shares accounts almost always do better than savings accounts
- This has been the case for every 18-year period in the last 40 years
- Shares can fall as well as rise so you could get back less than the amount put in
- Has to follow Government rules to help reduce the risk
- Money has to be spread over a range of investments
- When your child is 13, money is gradually moved to more secure investments
- The total charge your CTF provider can make for running the account is no more than 1.5 per cent a year – no more than £1.50 for every £100 in the account
- The CTF provider has to allow you to pay in amounts from as little as £10

Savings account (non-stakeholder)

- Does not invest in shares: this is the cash option
- At 18 your child will get back whatever has been put in, plus some interest
- Your child might not get back as much as they could with an account that invests in shares
- There are no rules to reduce the risk when saving and investing for the longer term
- There is no limit on the charges your CTF provider can make for running the account
- You will not see a charge on your child s statement. Your CTF provider will take their costs into consideration before setting the interest rate

What to do next – the nuts and bolts

- To open an account take along the voucher and completed application form to your chosen provider, or post the voucher to them if you have applied for the account online or by phone. You don t need to have an existing account with your chosen provider, but they may require proof of your identity so please check beforehand
- Let family and friends know you ve opened the account as they may want to put money in as well. The total amount that can be put in each year is £1,200. (Government payments don t count towards this limit.)
- You don t have to add to the account, but even small amounts could grow into something worthwhile for your child when they reach 18
- You can change the account or CTF provider at any time if you want to – usually this will be without charge