



The Child Trust Fund (CTF) is a long-term savings and investment account created especially for children. The money in it belongs to your child and is locked away until they are 18, so it has a long time to grow. At 18 they can choose to carry on saving or use the money for other things, such as driving lessons, computer equipment or training courses.

Every child born on or after 1st September 2002 is eligible for a CTF account if they live in the UK, Child Benefit is being received for them and they are not subject to immigration restrictions.

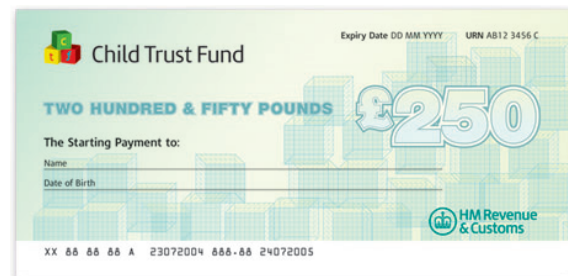
## How much will my child receive?

You will automatically receive a £250 CTF voucher when you claim and start receiving Child Benefit for your child. Children from lower income households (£16,190 or less in 2010-11 and receiving Child Tax Credit) will receive an extra £250, paid directly into their account.

Children with an illness or disability who are entitled to Disability Living Allowance (DLA) will have £100 paid annually into their accounts. Children entitled to the highest rate of the care component of DLA will get £200 annually.

There will be a further automatic payment of £250 when your child turns seven and children in lower income households will again get an extra £250.

If you haven't received a voucher or have lost it, call the CTF Helpline on 0845 302 1470.



## What should I do with the voucher?

The voucher can only be used to open a CTF account. There are three types of account, which one you choose depends on how you feel about taking a risk in order to give the money a better chance to grow.



**Stakeholder Account** Your child's money is invested in companies' shares, so it grows if those shares do well. There are some measures in place to reduce the risks associated with investing in shares.



**Shares Account (Non-stakeholder)** Your child's money is invested in companies' shares, so it grows if those shares do well. Unlike a stakeholder account, there are no rules in place to reduce the risk of investing in shares.



**Savings Account (Non-stakeholder)** This type of account does not invest in shares. It is the cash option and pays interest.

If you don't open an account by the expiry date on the voucher, we will arrange for a CTF provider to open a stakeholder account for your child. But your child's money will have missed out on the chance of a whole year's growth.

Money in your child's CTF account will not affect any benefits or tax credits you receive, and neither you nor your child will pay tax on money earned in a CTF account. Remember, a savings account may not increase as much as an account with shares in it, but the value of shares may go down as well as up.

## Who can open a Child Trust Fund account?

Although the CTF account will belong to your child, only a parent (if 16 or over), or someone else with parental responsibility for the child (a legal term meaning someone with the rights and duties of a parent), can use the CTF voucher to open an account. The person who opens the account will manage it until the child's 16th birthday, when the child will take control.

If you are a parent under 16, you cannot by law manage a CTF account but help and advice are available from the CTF Helpline on 0845 302 1470.

## Where can I open an account?

From banks and building societies to friendly societies and supermarkets - there are lots of places where you can find a Child Trust Fund account provider. All providers offer a stakeholder and some also offer other types of account, including ethical and Shari'a ones. Be sure to ask providers about any fees charged for running the account.

The information pack you will receive contains a list of providers and you can always find the most up-to-date list at [www.childtrustfund.gov.uk](http://www.childtrustfund.gov.uk). Alternatively, call the CTF Helpline on 0845 302 1470.

## How do I open an account?

Some providers allow you to open the account online or over the phone without the need to see the voucher itself. Otherwise you can ask your chosen provider for an application form and return it to them with the voucher if it is required.

## What should I do after I've opened my child's CTF account?

- 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
- 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 (excluding Government payments)
- You can change the account or provider at any time if you want to

## Where can I find out more?

For help in choosing an account:

- Visit [www.childtrustfund.gov.uk](http://www.childtrustfund.gov.uk)
- Call the CTF Helpline on 0845 302 1470, open 8am to 8pm, 7 days a week
- To speak to someone in another language, please phone the CTF Helpline on 0845 302 1470 and you will be called back at a time that suits you
- If you prefer to speak to someone in Welsh, you can call 0845 302 1489 between 8.30am and 5pm, Monday to Friday

