



CTF Bulletin 52

11 January 2011

This Bulletin tells you about

- Revised CTF Legislation
- Removal of Third Party Validation Service (TPVS)
- Extended April Filing Date
- CTF Payments to Disabled Children
- Endowment Code – Code 4 / Code 1 Issue

You should address any enquiries about this bulletin to savings.audit@hmrc.gsi.gov.uk.

Please ensure the appropriate people in your organisation read this bulletin.

The HMRC website address is www.hmrc.gov.uk and there are pages for [CTF providers](#).

Revised Child Trust Fund Legislation

Bulletin 48 told you about the regulation changes that began the process of reducing and ending Child Trust Fund (CTF) payments in line with the Government announcement on 24 May 2010.

The Savings Accounts and Health in Pregnancy Grant Act 2010 – which ends CTF eligibility for all children born from 3 January 2011 onwards - received Royal Assent on 16 December 2010.

This means that children born on or after 3 January 2011 will not be entitled to a CTF. Children born after 31 August 2002 and before 3 January 2011 will be entitled to a CTF account provided

- they were living in the UK before 3 January 2011
- Child Benefit was first paid for a day before 4 January 2011, or they became looked after before 3 April 2011, and
- if they were subject to immigration controls, those controls were lifted before 3 April 2011.

Removal of the TPVS Test Service

From April 2011 the Third Party Validation Service (TPVS) is being withdrawn and will no longer be available. TPVS is the service for testing the submission of fortnightly and annual provider CTF returns and testing the retrieval of CTF schedules.

Extended April Filing Date

Due to a need for maintenance and preparation for the end/start of the financial year, certain HMRC systems will not be available for a short period of time from Friday 1 April 2011 to Tuesday 5 April 2011. This will affect providers' ability to submit the fortnightly return and download their schedules.

To minimise disruption we suggest that providers should submit their fortnightly return for the period end 31 March 2011 in the period 6 April 2011 to 10 April 2011. Returns filed on the 11 April will be considered 'Late Returns'.

CTF Payments to Disabled Children

Bulletin 44 told you about the planned phases for making annual CTF payments for children entitled to Disability Living Allowance (DLA), and Bulletin 48 explained that because of the Government's decision to end CTF payments, there will be no entitlement to CTF disability payments for the tax year 2011-12 or later years.

The majority of CTF payments arising from 2009-10 DLA entitlement were notified to providers in April 2010. We plan to make any residual 2009-10 payments in April 2011 and nearly all 2010-11 payments in May 2011. Any residual 2010-11 payments will be made later in 2011.

Endowment Code - Code 4 / Code 1 Issue

We are aware that some age 7 additional payments for children in lower income families have been included on provider schedules under endowment type 1, instead of under endowment type 4. In the majority of cases, providers have successfully claimed the payments under endowment type 1 but some have experienced difficulties in claiming these payments. We are working to resolve this issue, but if you are experiencing problems of this nature please contact us using the CTFO Provider Helpline.