


Help your child
prepare for adult life and
something to look forward to



Child Trust Fund
Clockwise Credit Union



Have you ever thought about starting a saving account for your child?

There has never been a better time to do it. And what is more, the first £250 comes free from the Government.

Your child will then be able to use this money, any additional savings, plus tax free interest once they reach the age of 18.

We are sure this will provide an invaluable support at the start of their adult life.

Clockwise Credit Union is a safe, ethical and friendly place to help your child prepare for adult life with something to look forward to.

YOUR QUESTIONS ANSWERED

What are CTFs?

Child Trust Funds (CTF) are saving accounts for children. The Government starts the saving by sending a voucher for each child which must be invested in a CTF.

Who are the Child Trust Funds for?

All those born on or after 1 September 2002, living in the UK and registered to receive Child benefit, will automatically be sent £250 (£500 if you receive full Child Tax Credit).

Can parents use this money?

Parents will receive a voucher which can only be invested into a CTF through accredited providers, one of which is Clockwise. Only the child will be able to access the money, including the interest, after reaching the age of 18.

Can the money be accessed in an emergency?

The only two grounds for accessing a CTF account are in the event of a child's death or diagnosis of terminal illness. There are special procedures in place for this.

Can parents contribute to the CTF?

Anyone, including relatives, friends and the children themselves when older can top up the CTF up to a maximum of £1,200 a year. It is a great idea to encourage contributions to the CTF as all these and the interest is tax free. In addition to this, the Government has promised that it will make a second and final payment into all CTFs when those children who qualify reach the age of seven.

What can the saved money be used for?

There are no restrictions on how the money can be used after the age of 18. For example, this can be driving lessons, university fees or a payment towards their first property mortgage.

How do I open a CTF with Clockwise?

Simply complete the attached form and take it with the CTF voucher and the child's birth certificate to our office or any of the information points.

CHILD TRUST FUND APPLICATION FORM

Registered Contact's Details

Registered Contact can be the child's natural parent, a person who has legally adopted the child, or a person who has been granted legal authority by the courts.

Mr / Mrs / Miss / Ms / Other: _____

Surname: _____

First Name(s): _____

Permanent Home Address: _____

_____ Postcode: _____

Tel.: _____ Mobile: _____

Clockwise Membership Number (*if applicable*): _____

National insurance number:

Child details

Surname of Child: _____

First Name(s) of Child: _____

Address (*if different from above*): _____

_____ Postcode: _____

Young Savers Account (*if applicable*): _____

Date of Birth: (DD MM YYYY)

Gender: (M / F)

Additional Contributions

You can make additional contributions of up to £1,200 a year. Payments can be made by Standing Order, one off payments or transfer from members share accounts.

Declaration and Authorisation

I declare that:

- I am 16 years of age and over
- I have parental responsibility for the child
- I will be the registered contact for the Child Trust Fund

I **authorise** Leicester Credit Union Ltd. to hold the child's Inland Revenue contributions, subscriptions, additional savings interest and any other rights or proceeds in respect of the CTF cash and vouchers.

I agree to the Child Trust Fund conditions

(a full listing of the Terms and Conditions is available on request or on our web site, www.clockwise-cu.co.uk)

I understand that:

- Leicester Credit Union Ltd. is happy to talk through the information on CTFs, but does not and has not advised me on CTF.
- I have considered the information provided and undertaken further enquiries, as I saw fit, to satisfy myself this CTF account is the correct account for the child.
- Once money has been paid into the Child Trust Fund, it belongs to the child and can only be accessed by the child once they are 18 years old.

Registered Contact Signature: _____

Date: _____

We require a copy of the child's birth certificate and if you are not currently a Clockwise member, two forms of your identity.

If you want to cancel the Child Trust Fund Account, you must advise us before it is opened, as once it is opened we cannot send back the voucher; we can only transfer the funds to another provider.

MAIN TERMS AND CONDITIONS

A full listing of the Terms and Conditions
is available on request or on our web site, clockwise-cu.co.uk

- This Child Trust Fund will be operated in line with the Governments Child Trust Fund scheme rules.
- With this cash based option, the child is guaranteed to get back the money paid into it when they reach 18, plus interest paid each year.
- The Minimum interest rate will be no less than 1% below the Bank of England Base Rate as published from time to time.
- You will be sent an annual statement within a period of 61 days of the child's birthday each year. This statement will include notification of the current interest rate on this account.
- Interest is payable on the 1 April each year.
- We will give you 30 days notice of any changes to the interest rate paid on this Child Trust Fund.
- Although the Registered Contact has control over the Child Trust Fund, it belongs to the child. When the child reaches 16, they can apply to take control, but they will not be able to access the money until their 18th birthday.
- On their 18th birthday, the child will take control of this account. They can continue to save.
- Any returns from a Child Trust Fund are free of personal tax. The favourable tax benefits of Child Trust Funds may change in the future.
- You or anyone else can make additional contributions to the account. Family, friends and the child themselves will be able to contribute up to £1,200 a year between them. This yearly allowance runs from birthday to birthday. Any additional contributions are locked in and non-returnable to the donor. The money in the Child Trust Fund cannot be withdrawn until the child is 18, and then only by the child.
- You will be sent a copy of our terms and conditions before we open the account. You will have two days to cancel.

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enquiries@clockwise-cu.co.uk | www.clockwise-cu.co.uk

Leicester Credit Union Ltd., FRN213498, is authorised and regulated by the Financial Services Authority. Member of the Financial Services Compensation Scheme, the Financial Ombudsman Service and ABCUL. Registered Office: 25 Mere Road, Leicester, LE5 3HS. Issued August 2006.



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