



onefamily
modern family finance



Child Trust Funds

Imagine...

If you were given **£250**,
what would you do with it?

What would you do with
£2,500?

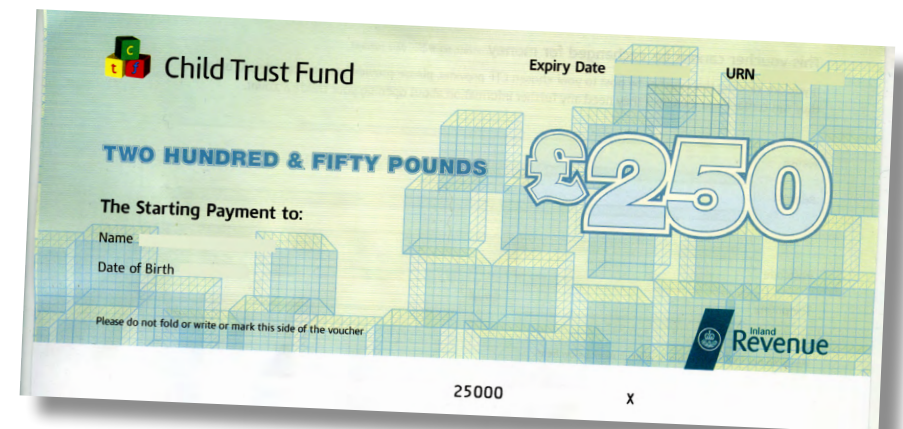


Learning objectives:

- Understand what a Child Trust Fund is and where to find information about your own
- Understand savings options; know where to save, when to save and why
- Know that there are advantages and disadvantages to the choices people make about their finances

What is a Child Trust Fund?

- Children born between 1 September 2002 and 2 January 2011 were given a voucher by the government to pay into a **Child Trust Fund (CTF)**.
- It's a long-term, tax-free* savings or investment account.
- From April 2015, the rules changed and parents could transfer the CTF to a Junior ISA. But the set up and access is the same as a CTF.



*You usually have to pay some money to the government (tax) on interest from savings accounts.

What is a Child Trust Fund?

How much is a CTF?

- The government's initial voucher was for between £250 and £500. If parents didn't use it to set up a Child Trust Fund, the government set one up on the child's behalf.
- Parents or others who knew the child had the option of adding more money to the account over the years.



What is a Child Trust Fund?

What happens when I am 16?

At age 16, a young person can take over their Child Trust Fund.

They can:

- decide which financial institution holds their funds
- add money into the account to increase its value
- track its performance (value of it).

but they can't yet access the funds – meaning they can't take any money out.



What is a Child Trust Fund?

What happens when I am 18?

The Child Trust Fund reaches maturity when the child is 18 years old, and he or she can then access the money.

The amount will depend on how it was invested and how much has been added to it over the last 18 years.

This is also the case for those whose CTF went into a Junior ISA.



What is a Child Trust Fund?

What are your options at 18?

After 18, they can choose what to do with the funds. For example, they might:

- transfer it into an adult ISA (either stocks and shares or cash)
- transfer it into a cash savings account
- spend some or all of it



What is a Child Trust Fund?

You can find out about where your
Child Trust Fund is at:

www.onefamily.com/ctf

What is a Child Trust Fund?

QUIZ
TIME



What is a Child Trust Fund?

QUESTION 1

Which of these can't the registered contact do with their CTF at age 16?

- a)** Pay money into a Child Trust Fund
- b)** Transfer the money into a Junior ISA
- c)** Choose whether to have the Child Trust Fund in a savings or investment account
- d)** Take the money out of the Child Trust Fund

What is a Child Trust Fund?

QUESTION 1

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- b)** Transfer the money into a Junior ISA
- c)** Choose whether to have the Child Trust Fund in a savings or investment account
- d)** Take the money out of the Child Trust Fund

What is a Child Trust Fund?

QUESTION 2

At what age can you take money out of a Child Trust Fund?

a) 11

b) 16

c) 18

d) 21

What is a Child Trust Fund?

QUESTION 2

At what age can you take money out of a Child Trust Fund?

a) 11

b) 16

c) 18

d) 21

What is a Child Trust Fund?

QUESTION 3

How much tax do you pay on the money in a Child Trust Fund?

- a)** 0%
- b)** 5%
- c)** 20%
- d)** 40%

What is a Child Trust Fund?

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- b) 5%**
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- d) 40%

What is a Child Trust Fund?

QUESTION 4

Who can pay into a Child Trust Fund?

- a) Just the government
- b) Anybody
- c) Nobody
- d) The child's parents only

What is a Child Trust Fund?

QUESTION 4

Who can pay into a Child Trust Fund?

- a) Just the government
- b) Anybody**
- c) Nobody
- d) The child's parents only

What is a Child Trust Fund?

QUESTION 5

How much did the government initially pay into Child Trust Funds?

- a) Nothing
- b) £50-£100
- c) £250-£500
- d) £1,500

What is a Child Trust Fund?

QUESTION 5

How much did the government initially pay into Child Trust Funds?

- a) Nothing
- b) £50-£100
- c) £250-£500**
- d) £1,500

What is a Child Trust Fund?

QUESTION 6

What can a child do with their funds when they're 16?

- a) They can't do anything
- b) Add to their CTF
- c) Move it to a different savings account with their parent's permission
- d) Track the progress of their fund

What is a Child Trust Fund?

QUESTION 6

What can a child do with their funds when they're 16?

- a) They can't do anything
- b) Add to their CTF**
- c) Move it to a different savings account with their parent's permission
- d) Track the progress of their fund

What is a Child Trust Fund?

QUESTION 7

How much can it cost to pay tuition fees for a 3 year degree course?

- a)** £2,000
- b)** £27,000
- c)** £7,000
- d)** £11,000

What is a Child Trust Fund?

QUESTION 7

How much can it cost to pay tuition fees for a 3 year degree course?

- a) £2,000
- b) £27,000**
- c) £7,000
- d) £11,000