Child Trust Funds & Junior ISA's

A Fact Sheet for Foster Carers & Social Workers

Questions and Answers

What is a Child Trust Fund?

The Child Trust Fund (CTF) is a long-term tax-free savings/investment account for children born in the UK between 1 September 2002 and 2 January 2011. All children born within these dates have a CTF set up under Government arrangements, which included an initial payment of £250 (£500 for children of 'low income' families) from the Government.

What is a Junior ISA?

The Junior ISA (JISA) is a long term, tax-free savings/investment account for children born after 3 January 2011. Any child who has been looked after for a continuous period of 12 months or more, and who is not eligible for a Child Trust Fund Account (see above) is eligible for a Junior ISA account, with a government contribution of £200.

Can a child / young person have a CTF and a JISA?

No, a child/young person cannot have both types of account.

What is The Share Foundation?

The Share Foundation is a UK charity whose aim is to enable young people to leave care at 18 years old with both the material resources and the knowledge to achieve their potential. The Share Foundation runs the Child Trust Fund and Junior ISA schemes for children and young people in care on behalf of the Department for Education.

How does The Share Foundation know about the child / young person in care?

The Management Information and Intelligence Unit (MIU) at Kent County Council is the **Registered Contact** for The Share Foundation. MIU provide The Share Foundation with details of all children and young people once they have been in care for 12 months. MIU then manage correspondence regarding the children / young people's accounts.

If the child/young person is eligible for a CTF and they do not have a suitable person with Parental Responsibility to manage their account, The Share Foundation will locate the account via HM Revenue & Customs.

If a Child Trust Fund account cannot be found and the young person meets the eligibility criteria, a Junior ISA Account will be opened for them.

How long does it take for The Share Foundation to set up a JISA and find a CTF?

Following submission of the child / young person's details to the Share Foundation by MIU, a Junior ISA Account is usually set up within 6 weeks.

Child Trust Funds are more complicated as the Share Foundation must try and 'find' the account which can take some time. On average this can take up to six months.

Can the 'Registered Contact' for a CTF or JISA be changed?

For children and young people in care the 'Registered Contact' will always be MIU until the child/young person reaches 18 and takes over management of their CTF/JISA themselves.

Can a Foster Carer request closure of a CTF or JISA or to transfer a CTF to a JISA?

No. A Foster Carer has no legal responsibility for a child/young person and nor can they be the Registered Contact on an account. A Foster Carer therefore cannot open, close, or change any details relating to a CTF/JISA.

Can Foster Carers receive annual statements of the child/young person's savings in a CTF/JISA?

MIU receive statements annually for CTF's and these are uploaded to the child/young person's electronic file under 'Documents'. Social Workers will be able to print a copy of the most recent annual CTF statement upon request.

The Share Foundation do not currently provide annual statements for JISA's, however they do provide a valuation report. MIU complete the 'Child/Young Person's Annual Child Trust Fund and Junior ISA Record' (previously known as the Child / Young Persons Annual Record of Savings) annually with the current balance. Social Workers can find this in 'Forms' on the child/young person's Liberi file and provide the most recent annual balance to the child/young person's current Foster Carer upon request.

Please remember this figure might not be the most up-to-date balance of savings because the balance is only updated once a year (i.e. if the updated figure is provided every October and the child/young person's file is checked in May, all monies saved for the interim six months will not appear on the balance).

Can/How do Foster Carers speak to The Share Foundation directly about their child/young person's Child Trust Fund (CTF) or Junior ISA (JISA)?

Foster Carers can visit The Share Foundation website, download and complete the Authorisation Letter https://www.sharefound.org/getting-access, and e-mail this to MIU at miintensiveeh&socialcare@kent.gov.uk. MIU will confirm that they are the current foster carers for the child/young person, sign the Authorisation Letter and forward to The Share Foundation giving permission for them to communicate with the Foster Carer/s directly, while the child/young person remains in their care. If a child/young person moves on from Foster Carers who have been authorised to have information shared with them about the child/young person's CTF, the Social Worker must inform MIU, in order that no further information is shared inappropriately.

Can the savings held in a CTF or JISA be accessed/withdrawn?

The savings are the young persons. Only the young person can access/withdraw their savings and only once they are 18 years old (unless they are assessed and deemed to not have mental capacity as defined under The Mental Capacity Act 2005 – see below).

What happens to the savings in a CTF / JISA when the young person is under 18 and they leave care?

Where a Court has appointed a Special Guardian for the child, the child is subject to an Adoption Order, or they are returning to the care of their parent/s, the Registered Contact can be changed to the person with Parental Responsibility.

MIU inform The Share Foundation in their monthly submissions of children leaving care. The Share Foundation then send a letter via MIU to the Special Guardian, Adoptive parent, or parent, detailing what they need to do to take over management of the child / young person's CTF/JISA.

What happens to the savings in a CTF / JISA when the young person reaches 18?

MU receive correspondence from The Share Foundation prior to the young person's 18th birthday, which is forwarded to the young person's Social Worker, for sharing with the young person. The letter contains instructions about what the young person needs to do to become the Registered Contact for their account and manage their own money. If a Foster Carer becomes aware that the young person has not received their letter regarding their CTF/JISA they should make the young person's Social Worker and their Fostering Social Worker aware, and the Social Workers will be able to obtain a copy of the letter from MIU.

How can Foster Carer/s support young people who do not have mental capacity to manage their savings in a CTF or JISA when they turn 18?

The Mental Capacity Act 2005 works on the principle that everyone is assumed to have capacity to make decisions for themselves if they are given enough information, support, and time. It protects their right to make their own decisions and to be involved in any decisions that affect them. A person's capacity must be judged according to the specific decision that needs to be made, and not solely because of their illness, disability, age, appearance or behaviour. An important principle in the law is that just because someone is making what seems to be an unwise decision (even if they have an illness or disability) this does not necessarily mean they lack capacity. There are legal safeguards that must be followed when deciding on behalf of some who lacks the capacity to make the decision - it must be done in their 'best interest' *('Mental Health.org.uk', November 2020 & 'NHS England', November 2020)*.

If a young person is considered to lack capacity to manage the savings in their CTF or JISA because of an illness or disability, they will not be able to do one of more of the following:

- Understand information given to them about a particular decision,
- Retain that information long enough to be able to make the decision,
- Weigh up the information available to make the decision,
- Communicate their decision.

If this is the case, Foster Carer/s can, after full discussion and with the explicit agreement of the Local Authority (who will already be the Registered Contact for the account because there is not a suitable person with Parental Responsibility to manage the account) apply to the Court of Protection to act as the young person's 'Deputy'. A Deputy is appointed by the court to manage and make day-to-day decisions about someone's finances. Without this, foster carers will not be able to manage the account when the child turns 18, as they legally become an adult and the money belongs to them.

Foster Carers would only discuss, and the Local Authority consider supporting making such an application, in the most exceptional of circumstances. Applying to the Court of Protection can be expensive, with an application fee and legal costs likely. Foster Carers would be advised to seek legal advice in order that they understand all their options.

Will young people who are almost 18 and become eligible for a JISA receive a contribution from the government?

If the young person becomes eligible just before their 18th birthday, the Share Foundation will not open an account but will instead forward a cheque made out to the young person for the £200 government contribution. MIU will forward this on to the young person’s allocated Social Worker to send on as appropriate.

How can Foster Carers contribute to the child’s CTF or JISA?

Once the account is set up, a regular Standing Order can be set up directly from the Foster Carers account via internet banking using the details on The Share Foundation website or by completing and submitting the online contribution form on The Share Foundation website. Please follow this link https://donations.sharefound.org/ Foster Carers will need the TSF Reference Number for the CTF / JISA and Social Workers can find this on the child/young persons Liberi file in forms ‘Child/Young Person’s Annual Child Trust Fund and Junior ISA Record’ (previously known as Child/Young Persons Annual Record of Savings).

Will the young person’s savings in a CTF/JISA affect their claim for Universal Credit?

Once the young person becomes eligible to claim Universal Credit they are likely to be 18 and over and the savings in their CTF / JISA will have matured and they will have made a decision to withdraw this, save in another account, or the provider (if the young person hasn’t touched their money at 18), will automatically convert the account to an Adult ISA.

Under current benefits rules the first £6,000 of savings is ignored for the purposes of calculating a claim for Universal Credit and savings over £16,000 (which can be split with a partner) will mean Universal Credit cannot be paid. Having savings between £6,000 and £16,000 will impact the amount of Universal Credit a young person receives.

Where can I obtain further information?

More information regarding Child Trust Fund and Junior ISA accounts can be found at https://sharefound.org.