



# KICKSTART YOUR CHILD'S FINANCIAL FUTURE

*Building a strong foundation for their future today  
with intergenerational wealth planning tools.*

A close-up photograph of a child's hands stacking wooden blocks. The child is wearing a white long-sleeved shirt. The blocks are various shapes and colors, including natural wood, light brown, and a reddish-pink block. The background is softly blurred, showing a wooden chair.

## START BUILDING THEIR FINANCIAL FUTURE TODAY

From infancy to adulthood, intertwining your children's financial planning with your own can bring benefits for yourself as well as building a strong foundation for their financial future.

As a parent, you want to provide the best possible future for your child, and financial planning is a crucial step in achieving that goal.

By integrating financial planning for your children's future with your own strategies, you can build a strong foundation for them long before they are faced with the task of managing their own finances in adulthood. Furthermore, this could also create valuable tax saving opportunities and other benefits for yourself too.

Throughout this guide, we will explore the various ways in which you can grow a healthy savings fund for your children's future and how to gift assets tax-efficiently. We also provide financial awareness and education, as well as how to safeguard your children's

well-being in the event of unexpected circumstances, such as, the loss of a main earner in the family.

With the inclusion of your children's needs in your own overall financial plan, you can create a lasting legacy that can benefit not just your immediate family, but potentially future generations of your family too.

### Did you know...

From the age of 6, children can get a prepaid card which enable parents and guardians to set spending limits and controls via an app, while the child gains exposure to the digital landscape.

# SAVINGS & INVESTMENTS



## Savings for Children

Establishing a savings routine not only sets the foundation for your child's financial independence but also instils valuable lessons about responsibility, patience, and the importance of planning for future needs. Some popular types of savings accounts for children include: Junior ISAs; Child Trust Funds; and NS&I Premium Bonds.

## Junior ISAs

Junior ISAs (JISA) enable you to invest for a child under the age of 18. It also enables anyone to add money into your child's Junior ISA, which can be in the format of either a Junior Cash ISA, or a Junior Stocks and Shares ISA. Children are taxed the same as adults.

When you first think about your children's financial future, you will likely focus on savings accounts that you can pay into throughout their life, gradually building a substantial nest egg over time.

Any parent or legal guardian can open a Junior ISA for a child under 18 years old. Anyone is able to contribute to your child's Junior ISA – for example, grandparents, friends and relatives. If gifts from an individual parent or legal guardian generate income for the child that exceeds £100, the income will be assessed on the adult (This rule does not apply to money held in a JISA that was given by the parent or legal guardian).

A Junior ISA accepts the transfers in of a Child Trust Fund (CTF) - a tax-free savings account that pre-dated the arrival of Junior ISAs. If you had a CTF then you cannot open a Junior ISA unless the CTF funds are transferred into the Junior ISA at the outset.

The parent/guardian relinquishes control of the capital when the child reaches the age of 18, when they can choose to withdraw the money from the investment. Should the funds remain invested, the Junior ISA will turn into a regular ISA which they can elect to continue to save and invest into should they wish to.

However, you may wish to retain control of the capital to pass on to the child when they are older or more responsible. There are options to do so that may be appropriate, like opening an investment wrapper - such as an ISA - in your own name. An Independent Financial Adviser can discuss these options with you and create a plan for your child's savings.



## SAVINGS & INVESTMENTS CONT...



### Child Trust Funds

A Child Trust Fund is a long-term tax-free savings account for children born between 1 September 2002 and 2 January 2011. The Child Trust Fund scheme closed in 2011, but you can continue to add up to £9,000 a year to an existing Child Trust Fund account.

The money belongs to the child and they can only take it out when they're 18. They can take control of the account when they turn 16.

There is no tax to pay on the Child Trust Fund income or any profit it makes. It will not affect any benefits or tax credits you receive.

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