



CTF Bulletin – Local Authorities & Health Trusts - 14

10 August 2010

This bulletin tells you about

- CTF Amendment Regulations

Enquiries about this bulletin should be addressed to [Savings Audit](#).

Please ensure the appropriate people in your organisation read this bulletin

CTF Amendment Regulations

On 24 May 2010 the Government announced that payments into CTF accounts would reduce (or end) from August 2010. Amending regulations have now been debated in both Houses of Parliament and the [finalised regulations](#) are now available.

What do the regulations do?

The changes affecting children who become looked after by a local authority are:

Starting payment: Children born on or after 2 August 2010 who become looked after
Looked after and have not been in a Child Benefit claim will receive £100 instead
Children of the current £500.

Children born before 2 August 2010 will still be entitled to £500 provided:

- they became looked after on or before 1 November 2010,
- they were in the UK before 2 August 2010, and
- if they were subject to immigration control up to 2 August 2010, those controls were lifted before 2 November 2010

Age 7 payments Children whose 7th birthday is on or after 1 August 2010 will not be entitled to any Age 7 payments, including those previously made to looked after children

Disability payments Children entitled to Disability Living Allowance will not be entitled to CTF disability payments for the tax year 2011-12 or later years.

Monthly returns on form CTF15 (Child) - action by the person sending in the monthly return

No changes are being made to the form CTF15 (child), however HM Revenue & Customs need Local Authorities to supply some extra information

Please tell us **the date a child entered the UK** if the child

- was born before 2 August 2010,
- became looked after between 2 August 2010 and 1 November 2010 inclusive, and
- entered the UK after 1 August 2010

Please also tell us the date a child was no longer subject to immigration control if the child

- was born before 2 August 2010,
- became looked after between 2 August 2010 and 1 November 2010 inclusive, and
- entered the UK before 2 August 2010 and
- the immigration controls were lifted before 2 November 2010

For such children, Local Authorities should put an X in the additional information box and record the date the child entered the UK on a separate sheet.

What will happen to Child Trust Fund accounts after December 2010?

Under the Government proposals children born after December 2010 will not be eligible for a Child Trust Fund. But accounts for eligible children will continue to benefit from tax-free investment growth and no withdrawals will be possible until the child reaches age 18. The child, friends and family will all continue to be able to contribute up to an overall total of £1,200 a year, and it will still be possible to change the type of account and/or move it to another provider.

A Bulletin will be issued before January 2011 explaining how these further changes will impact on local authority reporting requirements.