

Looked After Children Terminal Illness and Death Cases

Terminal Illness

The normal rule on access to money in a Child Trust Fund account is that only the child can access the money, and only once they reach the age of 18. The exception to this is in cases where a child is terminally ill.

The Child Trust Fund uses the same definition of 'terminally ill' as the Department of Work and Pensions: a person is terminally ill at any time if at that time he/she suffers from a progressive disease and his/her death in consequence of that disease can reasonably be expected within 6 months.

In order to withdraw a child's money the person with parental responsibility for the child should contact the Child Trust Fund helpline, or they can write to CTFO. They will need to provide evidence of terminal illness which means that the child is not expected to live more than 6 months, either by a claim to Disability Living Allowance under the Special Rules arrangements or by other evidence from a medical practitioner. CTFO will liaise with DWP to confirm receipt of the allowance.

Once the evidence of terminal illness has been confirmed, the Child Trust Fund Office will write to the person with parental responsibility for the child to inform them that access has been granted and advising them to contact the provider. The Child Trust Fund Office will also advise the provider of the child's account that they should allow early access to the money. As long as the parent is the registered contact for the account, they will then be able to withdraw the child's money. If the parent is not the registered contact they will need to apply to manage the account (i.e. become the registered contact) before the money can be accessed.

Local Authorities are able to make a terminal-illness claim if they have parental responsibility for a child. If a local authority is considering making a claim to access funds in a Child Trust Fund account, they should contact their Child Trust Fund Office contact who will be able to advise them how best to proceed.

If a Local Authority has a terminally ill child in their care, whose account is managed by the Official Solicitor (or Accountant of Court in Scotland), and they wish to release the funds they should contact the Official Solicitor with this request. The Official Solicitor, as the registered contact, will be required to authorise any withdrawals from the account. The Official Solicitor will not actively engage in withdrawing money, but on receiving confirmation

from HM Revenue and Customs that money can be withdrawn, will authorise the child's account provider to make a payment to a named individual in the local authority.

Children who have died while being looked after

Local authorities do not need to inform the Child Trust Fund Office when a child of Child Trust Fund age dies in their care, unless that child has not been reported previously.

The money in a child's Child Trust Fund account, including the Government payments, will go to whoever inherits the child's estate (any assets belonging to the child). This is usually the child's parents.

If a child dies after an account is opened

If a Child Trust Fund account has already been set up for the child then the person with parental responsibility for the child should liaise with the account provider to release the funds. They will need to show the provider the child's death certificate. They will also be sent a letter from the Child Trust Fund Office stating that the funds can be withdrawn, they should also show this to the provider. If the person with parental responsibility does not know who their child's account is held with they should contact the Child Trust Fund helpline.

If the child's account was managed by the Official Solicitor or Accountant of Court they will be notified that the child has died and from that point they will no longer manage the account. The account will lie dormant until whoever may be eligible to inherit the child's estate contacts the Child Trust Fund Office. If a local authority receives a query of this nature they should contact the Child Trust Fund Office to take the matter forward.

Local authorities cannot claim the money in a Child Trust Fund account. In the event of a child's death while in Local Authority or Health Trust care, as they are below the age of being able to make a will the child will die "intestate". Under the rules of intestate, any surviving relative would be able to claim on the dead child's estate, not solely the parents. The order of priority in claiming the money would run spouse, parents, siblings, nephews/nieces. If there is no-one who can claim the child's money, the solicitor for HM Treasury would handle the case and the money in the account would return to the Crown.

If a child dies before an account is opened

If a child is in Local Authority care and dies before a Child Trust Fund account has been opened or before the Government money has gone into the account the Child Trust Fund Office will write to the Local Authority for details of the personal representative of the child. CTFO will contact the Registrar to

confirm the child's death, issuing a simple form (CTF37) to this person with parental responsibility to establish entitlement and what method of payment the money should be paid, cheque or BACs.

The payment of the funds will be made directly from HM Revenue & Customs to the customer.

Contact us

Child Trust Fund helpline - 0845 302 1470

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Mandarin Way
Washington
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