

Triodos Bank.
Setting up
an account
for a child.

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A Triodos Right Start Saver account can be set up in three different ways, depending on who is to have authority to operate the account.

You can apply for a Triodos Right Start Saver Account;

On behalf of a child, aged 0-15

Yourself, aged 7-15

Yourself, aged 16-18.

The different ways are outlined below.

Setting up an account for a child

There are different options depending on who has the authority to operate the account.

A 're' account (for a child aged from 0-15 years)

If, as an adult, you don't want a child to have full control of the account, you can open an account in the name of an adult for the child, or 're the child'. This makes the adult the signatory on the account but the funds are held on behalf of the child. For example, if Mary Hill opens an account for her granddaughter Juliet Jones, the account name would be 'M Hill re Juliet Jones.' A Right Start Saver Account can be held as a 're' account for a child aged from birth to 15 years. Either one or two adults can operate the account on behalf of the child.

Children as account holders (aged 7-15, or aged 16-18)

Children can be account holders in their own right from the age of seven. If an account is opened in the sole name of a child, that child is then the only person able to give instructions or obtain information about the account. This means that all communication and correspondence will be sent directly to them.

Notes for completing the application form

1. Applying for a 're' account – adult operates account on behalf of a child aged 0-15 years

The child's details should be entered in the first section on the application form. However, the child should not sign the form as they will not be a signatory to the account.

For the child's proof of identification please enclose one of the following with the application form;

the child's original birth certificate

original NHS card

a certified copy of their passport*.

We will note details from the original documents provided and return them by registered post.

Either one or two adults can operate the account on behalf of the child. The details of the adult(s) operating the account should be entered in the relevant sections on the application form and the adult(s) should sign the form. If there are two adult applicants, please also complete the joint account mandate on the application form.

We are required by law to check the identity of customers opening an account. To help us verify identity and address we may make an electronic search, using the information supplied on the application. Please see our Terms and Conditions for further information. Please note that in some

instances we may ask adults operating accounts on behalf of a child to provide further information or documents.

2. Applying for an account in the child's name only – aged 7-15 years

The child's details should be entered in the first section on the application form and the child should sign the Declaration at the end of the application form.

For the child's proof of identification please enclose one of the following with the application form;

the child's original birth certificate

original NHS card

a certified copy of their passport*.

We will note details from the original documents provided and return them by registered post.

We are required by law to check the identity of customers opening an account. As children under 16 are often unable to provide sufficient proof of identification in their own name, we are able to accept proof of identification from the child's parent or guardian, as long as they live at the same address as the child.

To help us verify identity and address we may carry out an electronic search, using the information supplied on the application. Please see our Terms and Conditions for further information. The details of the parent or guardian agreeing to provide proof of identification should be entered in the relevant sections on the application form and they must sign the relevant box in the Declaration at the end of the form.

3. Applying for an account in the name of the applicant only – aged 16-18 years

The applicant should complete the relevant sections of the application form and sign the Declaration at the end of the application form.

For the applicant's proof of identification please enclose one of the following with the application form;

original birth certificate

original NHS card

a certified copy of their passport*.

We will note details from the original documents provided and return them by registered post.

We are required by law to check the identity of customers opening an account. To help us verify identity and address we may carry out an electronic search, using the information supplied on the application. Please see our Terms and Conditions for further information.

As applicants under 18 may be unable to provide sufficient proof of identification in their own name, we are able to accept supporting proof of identification from the applicant's parent or guardian, as long as they live at the same address as the applicant.

If applicable, the details of the parent or guardian agreeing to provide proof of identification should be entered in the relevant section on the application form and they must sign the relevant box in the Declaration at the end of the form.

***Certified documents**

The person undertaking the certification should be a professional person covered by money laundering regulations. For example, a person working in financial services, law or accountancy. Copies must be in black and white, and the certifier must confirm they have seen the original, sign and date the copy, and also provide their name, professional position, work address and work telephone number. They may be contacted for verification.

A child's exemption from tax

A child has a personal tax-free allowance each year, which is the same rate as the adult personal allowance. If a child's total income, including interest, is expected to be less than this personal allowance, the interest on their account can be paid gross – that is, without tax being automatically taken off. This applies on all interest the child earns up to 5 April following their sixteenth birthday.

Registration of a child's tax exemption

To claim this tax exemption, you must first get the account registered with a tax form (R85). Children under 16 cannot register themselves. A parent or guardian must complete the form with the child's details and sign it on the child's behalf. If the child's account is being opened by someone else (for example a grandparent) the form must still be signed by the child's parent or guardian.

A child living abroad – if the child is not resident in the UK, then the tax form required is R105. For a child under 16, this form should be completed with the child's details, and signed by the account-opener, even if this is not the parent or guardian.

Children with more than one account

If a child has more than one account, each one must be registered separately using a form R85, and all accounts earning interest must be registered.

Further information on tax allowances, and R85 and R105 forms are available to download from the HMRC website at www.hmrc.gov.uk. Alternatively contact us and we will send you a form.

Savings given to a child by a parent – the £100 rule

There are special rules for savings given by a parent. If gifts from a parent earn more than £100 gross interest a year, the whole of the interest is taxed as the parent's income and the child cannot get back any of the tax. Nor can the account(s) be registered tax-exempt.

For example, if the parent gives a child £5,000 which earns 5% interest a year, then the child will receive £250 a year, and so the interest must be taxed as the parent's income.

However, if the parent gives £1,000 at 5% interest a year, then the child earns only £50 a year and so the interest is treated as tax exempt for the child.

Gifts from both parents

If both parents make gifts, then the £100 rule is applied separately for each gift, and the amounts are not added together.

If a parent makes several gifts, then the £100 rule applies to the income from all those gifts added together. This applies even if money is spread across more than one bank or building society account.

The £100 rule continues to apply to young people aged 16 or 17 unless they are married. They cannot register an account tax-exempt if it includes gifts from a parent which, alone or when added to other gifts from the same parent, will produce more than £100 income a year.

When the child reaches 16

Interest on a 're' account can only be tax-exempt until 5 April following a child's sixteenth birthday. If the account is not held in the child's own name – for example, it might be held in the name of a parent or grandparent as a 're' account – it must be transferred into the child's own name in time for the first interest payment in the tax year following the child's sixteenth birthday.

If the child will not be eligible to pay income tax after their sixteenth birthday – because their total income will still be less than their personal allowance – they can then arrange for interest to be paid with no tax deducted, by ‘re-registering’ themselves at any time in the tax year in which they reach 16.

We will write to the account holder explaining the options, when the child reaches 16. We will send the appropriate forms for ‘change of account holder’ and ‘tax re-registration.’ If we do not hear from the account holder, the account will be made taxable at the start of the next tax year.

When the account holder reaches 18

Our Right Start Accounts are designed to be held up to the age of 18. We will write to the account holder in the January after they turn 18 for further instructions. If we do not hear from the account holder, the account will be closed and funds transferred to a Triodos Saver account, pending instructions.

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