

CHILD TRUST FUNDS ACT 2004

EXPLANATORY NOTES

COMMENTARY

Section 5: Opening by responsible person

30. *Subsection (1)* requires the Inland Revenue, where a child is entitled to a CTF account by reason of a child benefit award, to issue a voucher in the form prescribed by regulations. *Subsection (2)* requires the Inland Revenue to issue that voucher to the person who is entitled to child benefit for that eligible child. Where the child is eligible by virtue of section 2(3) (living in the UK but with a parent working in another EU country, see paragraph 14) the voucher will be issued to a “responsible person” for that child. This voucher will be in the amount of the initial contribution to be paid to all eligible children: the Government has announced that this will be £250. It will be issued automatically following the award of child benefit. Parents will not be required to make a separate claim for the CTF. Children looked after by local authorities will have CTF accounts opened under special arrangements (see section 6).
31. *Subsection (3)* provides that the child, if over 16, otherwise a responsible person (see paragraph 24), can apply to open a CTF account for the child named on the voucher. The person opening the account can choose the account provider and the type of account to be opened. *Subsection (4)* provides that the method of application, and the period within which the voucher is to be used, is as set out in the regulations.
32. *Subsection (5)* requires the provider, in accordance with regulations setting out the details of this procedure, to open a CTF account when the application has been made and inform the Inland Revenue.