

Children's Tax Exempt Plan

Long term tax free investment



POIS
Post Office Insurance Society



What's inside

- Your guide to the Children's Tax Exempt Plan
- An introduction to POIS and Foresters Friendly Society
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Saving made simple

with the POIS Children's Tax Exempt Plan

The POIS Children's Tax Exempt Plan is a way to give your child a helping hand in life. You can save £25 per month for each child and you can choose how long you wish to save for. When the plan ends your child will receive their cash sum, which is paid free of tax. Why not give your child a head start in life by opening a Children's Tax Exempt Plan today.

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- Provide a cash sum for your child to help towards university fees, their first car or home
 - £25 per month (£5.76 per week) paid from your bank or deducted from your pay
 - Save for 10 to 25 years (at least until your child's 16th birthday)
 - Contributions invested mainly in shares to provide the potential for long-term growth
 - Benefit from tax efficient saving, where the cash sum is paid to the child free of tax

Tax rules might change in the future and depend on individual circumstances. As your contributions are invested in a fund which includes stocks and shares, the value of the plan may fall as well as rise and your child may get back less than you have paid in.

Please read through this brochure, which explains how the savings plan works, its benefits and risks. Do get in touch if you have any questions. We've also included an application form, so if you decide to take out this plan you can fill it in and send it back to us.

Children's Tax Exempt Plan

What a difference it could make

The cash sum from the Children's Tax Exempt Plan could be a real help to your child when they need it the most. The deposit on a first home currently stands at almost £33,000 and a three year degree course could cost over £60,000. So you can see they will benefit from a little help along the way.

Affordable monthly saving

Saving for your child's future doesn't have to cost much. You can save £25 a month, that's only £5.76 per week. You can take out a plan for your child any time before their 16th birthday, even from the day they are born.

Contributions can be paid monthly by Direct Debit from your Bank or Building Society. If you are a Royal Mail employee or if your employer allows, contributions can be taken directly from your pay, whether you're paid weekly or monthly.

And with more grandparents taking an active interest in supporting their grandchildren, grandparents can even take out a plan on their behalf.

We worked out the cost of university education using the NUS estimate of the average student outside London paying £21,440 for course and living costs in the 2013/14 academic year. Multiplied by three years, that gives a cost of £64,320. The amount of deposit on a first time home in H1 2017, as calculated by Halifax was £32,899.



So how does it all work?

Choose how long to save

You choose how long you want to make contributions into the plan. The length of time you choose to save for the child is called the term of the plan. Your decision on how long you want to pay into the plan will determine when the plan will mature for your child – this must be after their 16th birthday and a minimum of 10 years. The maximum term is 25 years.

All money paid into the plan immediately becomes the child's and contributions should be seen as a gift to them. Once money is paid in, it cannot be returned to the person who paid it in.

The potential for growth

The contributions you make will be invested in the POIS Flexible Growth Fund. This fund aims to achieve long term growth by spreading risk across a range of investment types.

For more information about the different types of investments and the POIS Flexible Growth Fund see page 6.

The Children's Tax Exempt Plan is not designed to be a short term savings plan. As the contributions you make are invested in a fund which holds assets including stocks and shares that can vary in price from day to day, the value of the plan may fall as well as rise and your child may get back less than you have paid in. Inflation will reduce what the child can buy in the future with the proceeds of the plan.



It's tax free

The great thing about this type of savings plan is that the final payment your child receives will be free of Capital Gains Tax and Income Tax. Only a Friendly Society can give you the additional tax advantages through this type of regular contribution savings plan, under which we don't have to pay tax on the investments in the fund, except for the tax automatically deducted from UK share dividends which we can't reclaim. Because of the favourable tax treatment, the Government has set a maximum limit of £25 per month per child into tax exempt plans. However you can take out a plan for more than one child if you want.

Tax rules might change in the future and depend on individual circumstances.



Investments and the POIS Flexible Growth Fund

The aim of the POIS Flexible Growth Fund is to achieve long term growth, whilst spreading risk across a range of investments. It invests mainly in shares, both UK and overseas, along with fixed interest investments, such as Government gilts, and property. The fund may purchase these investments directly or through collectives. It is an actively managed fund.

The contributions you make will be used to purchase units in the fund. The value of the units can go down as well as up depending on the price of the investments in the fund.

Different types of investment

Equities – the fund can invest in shares from both the UK and overseas, including the US, Europe, the Far East and emerging markets. Investing in shares has historically been an effective way of growing capital over the longer term and protecting against inflation.

Fixed Interest – also known as bonds. These are loans by the UK Government (called gilts) or a company (corporate bonds). Bonds pay a fixed rate of interest throughout their term or can pay a return linked to inflation. Bonds issued by the Government and larger, credit worthy companies are generally thought to be less risky than investment in shares.



Property – the fund does not invest directly in property but may do this through property companies or property funds, where a greater exposure to several properties can be achieved. Property companies and funds mainly invest in commercial property such as offices, retail, leisure and industrial developments.

Cash – this can include ‘near cash’ investments such as investments in banks and building societies.

Collective Investments – a collective investment enables a number of investors to combine their assets and have these professionally managed by an independent manager. By doing this, investors can reduce risk by spreading their investments more widely than is possible by investing in the assets directly.

Investments in the POIS Flexible Growth Fund will vary, for example as new opportunities arise or if economic conditions or investment markets change. If you would like more information on the investments in the POIS Flexible Growth Fund then see our Fund Fact Sheet which can be found on our website (www.pois.co.uk) or by calling 0800 622 417. A guide to ‘How we manage our unit linked funds’ can also be found on the site.

The prices of the POIS Flexible Growth Fund are published daily on www.pois.co.uk

You should bear in mind that past performance is not a guide to future performance. As the fund holds overseas assets, the Sterling value of these assets may rise and fall as a result of exchange rate fluctuations.





POIS and Foresters Friendly Society...ready to look after you and your family

The Post Office Insurance Society, known as POIS, was formed in 1878 and has been providing affordable financial products to Post Office and Royal Mail employees for over 135 years. Now part of Foresters Friendly Society, a well established UK friendly society, Foresters' aim is to be the most member centric financial mutual in the UK. We put our members' interests at the heart of everything we do.

Being a mutual society means we have no shareholders, we are exclusively owned by our members. We are therefore run for the benefit of our members and offer a wide range of services and membership benefits.

Your child will have access to loads of unique extras

By taking out a Children's Tax Exempt Plan, your child automatically becomes a Foresters member. And although they may not take advantage straight away, they'll have access to a range of brilliant extras that can give them support and assistance when they need it, including:

Financial grants for education

We provide a number of discretionary financial grants to help you to cover the cost of things like higher education and apprenticeships.

Child Support Fund

Discretionary grants are available so children can receive up to £500 every year until their 19th birthday for relief, maintenance or education if they have lost a parent or have a parent who is incapacitated, are incapacitated or have special needs themselves, or are carers.

Financial support

Discretionary grants are available for members to help with support during difficult times.

Foresters Care

Practical help and emotional support from a nurse adviser is available for any member with a serious health condition.

The membership benefits we provide aren't regulated and are regularly reviewed by us to ensure they are relevant to our members.



"A caring, progressive society that supports its members. If you have met a Forester, you know you have met a human being."

A satisfied Foresters member, 2016

The Children's Tax Exempt Plan

Important Information

Important info you need to read

Before applying for the Children's Tax Exempt Plan, please read the Important Information which explains how the plan works, its aims, the commitment you will need to make and the risks involved. It will help you decide if it's a suitable plan for you.

This section is full of really important information and will hopefully answer any questions you might have.



Children's Tax Exempt Plan Important Information

Its aims

- To enable you to invest for a child tax efficiently.
- To provide a child with a tax free cash sum at the end of the term you have chosen.
- To achieve long term growth whilst spreading risk across a wide range of investments.

Your commitment

- You agree to pay a regular weekly or monthly contribution on behalf of the child throughout the term. The CTEP is not designed to be a short term investment.
- Current legislation states that the total amount that can be contributed to all Friendly Society Tax Exempt Savings Plan(s) cannot exceed £25 per month for each child.
- Your contribution is £25 a month and you cannot increase or reduce this amount at any time.

Risks

- As the contributions you make are invested in a fund which holds assets including stocks and shares that can vary in price from day to day, the value of the plan may fall as well as rise and your child may get back less than you have paid in.
- Your circumstances may change forcing you to stop making contributions.
- If you stop making contributions during the first year, the plan will be closed and the value of the plan, if any, will be paid to the child.
- If you stop making contributions after the first year, the plan becomes paid-up. Charges will continue to be taken which increases the chance of the plan falling in value.
- If you do not keep making contributions, we will stop providing life cover.
- Our charges may turn out to be higher than expected.
- All money paid into the plan immediately becomes the child's and contributions should be seen as a gift to the child. Once paid they cannot be returned to the person who paid them.
- Inflation will reduce what the child can buy in the future with the cash sum.
- Legislation may change to affect the tax status of the plan and tax rules depend on your individual circumstances.

Your Questions Answered

Where is the money invested?

When you invest money in the CTEP you are purchasing units within the POIS Flexible Growth Fund. The aim of the POIS Flexible Growth Fund is to achieve long term growth, whilst spreading risk across a wide range of investments.

For more information on the fund and investments please see page 6.

What is a unit?

The value of the fund is divided into units. The price of each unit is based on the value of the fund, divided by the number of units in issue. Every contribution you make will buy a certain number of units. The number of units bought will depend on the price of those units on the day the units are bought. The value of the investment is calculated by multiplying the number of units held by the current unit price. The price of the units may go down as well as up.

What happens if the plan is cashed in early?

The child cannot cash in this plan until they reach the age of 16. The parent or guardian can apply for the surrender or cashing in of the plan at any time until the child reaches 16. The sum due on surrender will be paid out in the child's name at all times, as the plan is for the sole benefit of the child. If the plan is cashed in before its 10th anniversary a charge will be deducted before the cash sum is paid. The amount of the charge will depend on how long you have held the plan, and the charges are shown in the charges section of the Key Information document. In the early years, it is possible the Plan value may be less than the surrender charge due. In that instance, no Plan value will be paid out and no further charge will be payable. If cashed in early your child may be liable for tax on any growth. For further information see 'Tax' on page 12.

What happens if contributions stop?

If your salary deductions stop or are suspended, or your Direct Debit is cancelled, you should contact us immediately to discuss your options.

If you stop making contributions, life cover will cease, so, if the child dies, the only payment made will be the value of the plan. You do however, have 13 months to pay the missing contributions, altogether in one lump sum, and continue paying into the plan. If, at the end of the 13 months, you have not made up the missing contributions the following will apply:

- If you have made less than one year's contributions, or the plan has no value, the plan will be closed. A charge of £125 will be deducted and any remaining plan value will be paid to the child.
- From year two until the end of the term chosen, as long as there is a value, the plan becomes paid up. This means that it will remain invested with no further contributions being made until it is cashed in. We will continue to deduct charges including the £1.50 monthly administration charge. The plan's value will continue to fluctuate in line with the movement of the unit price. If the value falls to £0, we will close the plan.
- Your child may be liable for tax on any growth.

What happens if I or the child dies?

If you die whilst you are paying contributions, someone else can take on the responsibility of continuing payments into the plan.

If the child dies during the term of the plan, the child's estate will receive a cash pay-out. Depending on the value of the child's estate, Inheritance Tax may be payable.

Life cover

Although the plan does not protect against the financial consequences of death, for the plan to qualify for its tax exempt status, life cover must be included for the child once they reach the age of ten.

Until the age of ten, the life cover will be limited to the return of contributions received. After the age of ten, the life cover is calculated at 75% of the contributions you are due to make over the term you have chosen.

In both cases life cover is only available so long as contributions are being paid. In addition, if the value of the plan is greater than the life cover we will pay the plan value.

Further information

Cancellation rights

After your application is accepted you will receive a statutory notice of your right to cancel. You will then have 30 days from the commencement date of the plan, or the date the notice is received whichever is later, in which to change your mind. If you choose to change your mind a full refund of all monies will be paid. You can do this by completing and returning the cancellation form to us at POIS, 29-33 Shirley Road, Southampton, SO15 3EW.

You can cancel the plan any time after the 30 days but there is a risk you could get back less than you have paid in.

Financial advice

We do not offer financial advice. You should contact a financial adviser if you have any doubts about this plan's suitability. You may have to pay a fee for this advice.

Contributions

Contributions can be made monthly by Direct Debit or weekly/monthly salary deductions for Royal Mail employees or if your employer allows.

Contributions will buy units in the POIS Flexible Growth Fund, the table below shows when these contributions are invested.

Payment type:	Day Invested:
Direct Debit	The collection date
Salary deduction weekly	The last Friday of the month in which the salary deductions are made
Salary deduction monthly	The last working day of the month in which the salary deduction is made

The unit price used to purchase units is the price calculated on the working day before the payment is invested.

Tax

The fund is free of tax on both income and capital gains except for tax deducted from dividend income which cannot be reclaimed. Under 'qualifying policy' rules, if you do not continue to pay the contributions for 10 years or three quarters of the term of the plan, if this is shorter, the cash sum may be liable to tax. You should also be aware that tax rules might change in the future and depend on individual circumstances.

Qualifying policies

A qualifying policy is a life insurance plan which meets HM Revenue and Customs rules. Subject to certain conditions, the proceeds of these policies are paid to an individual free of income and capital gains tax. Such policies are regular contribution policies and have a minimum plan term of ten years.

There is an annual contribution limit for qualifying policies of £3,600 per individual. This limit applies to policies where you are the beneficial owner i.e. the person who the proceeds belong to, usually the policyholder. If the child is a beneficiary of a policy written in trust, then they are also the beneficial owner. Policies which only provide a pay-out on death are not included within the annual limit.

The CTEP is classed as a qualifying policy. You must ensure that the £3,600 limit per child is not exceeded in any one year. If, for example you take out a plan for £25 a month, this will total £300 per year which will count towards your child's £3,600 limit.

Law

This contract is governed by English Law. We will communicate with you in English.

Legislation

All or any of the benefits, the contribution or the Plan Conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting the plan.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Notice would be given of any such adjustment.

Client categorisation

We are required under the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rules to categorise our clients. All of our clients are categorised as 'Retail Clients', which affords our clients the highest level of protection under the FCA and PRA rules.

Apply now to make the most of tomorrow

Send your completed application form to:

POIS

FREEPOST RLST-SJZE-BACC

29-33 Shirley Road

Southampton

SO15 3EW

Telephone: 0800 622 417

Email: memberservices@pois.co.uk

www.pois.co.uk

The Direct Debit Guarantee (please retain this Guarantee for your records)



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Foresters Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Foresters Friendly Society to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Foresters Friendly Society or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society.
 - If you receive a refund you are not entitled to, you must pay it back when Foresters Friendly Society asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written notification may be required. Please also notify us.

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Application Form

Please read the Key Information Document and Important Information section before completing this form. Please return your completed form to POIS to proceed with your application. If the child has any Tax Exempt Savings Plans (excluding Junior ISAs or Child Trust Funds) with this or any other Friendly Society, you are unable to apply for this plan. Complete in BLOCK CAPITALS in black ink.

FOR OFFICE USE ONLY

Staff/Int Name

Contact/Int Number

Marketing Code

1. Your details

This Children's Tax Exempt Plan is a gift from:

Title

First name

Middle name(s)

Last name

Date of birth

Address

Postcode

Postcode for
place of work

Contact telephone

Email

2. Child's details

This Children's Tax Exempt Plan is a gift for:

Title

Child's first name

Middle name(s)

Last name

Date of birth

Gender

Female

Male

Address (if different from yours)

Postcode

Relationship to you

3. How long do you want to save for?

For how long do you want to save?

Please enter the number of years, e.g. 18, in whole numbers.

years

The term must be for a minimum of 10 years and must not end until the child has reached the age of 16. The maximum term is 25 years.

4. How do you want to make contributions?

Deduction from pay (complete section 5)

Direct Debit (complete section 6)

The contribution will be £25 a month if you are paying monthly or £5.76 a week if you are paying weekly. Please note weekly instalments can only be accepted if you are paid weekly and they are deducted from your salary. This will be subject to your employer offering this facility. If you pay by Direct Debit, we will collect your contribution on the 1st working day of each month.

Children's Tax Exempt Plan

5. Saving through deduction from pay (complete only if you wish to make contributions through salary deduction and your employer offers this facility)

Payer's National Insurance (NI) Number

We require your NI number to process your application. It can be found on a payslip, form P45 or P60.

Full Pay/Pension No.

Are you paid weekly or monthly?

Weekly

Monthly

Name of pay group

Address of pay group (if known)

Postcode

I authorise the deduction of the appropriate regular amount from my pay/pension to cover contributions on this plan in addition to any existing amount paid to POIS on my behalf, or of any requested amount not exceeding the new total deduction. I understand that it will be necessary to exchange information with relevant parties in order to effect and maintain plan contributions. This will include details of any deductions being taken from my salary in respect of POIS plans being disclosed by telephone, mail or email to POIS on their request. I understand that any amendments to my deductions from salary should be arranged by POIS whenever possible.

Signature

Date

6. Instruction to your Bank or Building Society to pay by Direct Debit (please do not detach)

To The Manager

Name and full address of your Bank/Building Society branch.

Name(s) of Account Holder(s)

Sort Code

 - -

Account Number

Originator's Identification Number

2 5 3 6 8 6

Reference Number (office use only)

Instruction to your Bank or Building Society

Please pay POIS, a part of Foresters Friendly Society, Direct Debits from the account detailed in this Instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this Instruction may remain with POIS, a part of Foresters Friendly Society, and, if so, details will be passed electronically to my Bank/Building Society.

Signature

Date

Signature

Date

Banks/Building Societies may decline to accept instructions to pay Direct Debits from some types of account, such as a savings account.

Children's Tax Exempt Plan

7. Parent/Guardian details (if not the person setting up the plan)

Title	<input type="text"/>	Address	<input type="text"/>
First name	<input type="text"/>	<input type="text"/>	<input type="text"/>
Middle name(s)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Last name	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of birth	<input type="text"/> D <input type="text"/> D <input type="text"/> M <input type="text"/> M <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y	<input type="text"/>	<input type="text"/>
Contact telephone	<input type="text"/>	Postcode	<input type="text"/>
Email	<input type="text"/>		

8. How we will use your data

The information that you provide on this form will be held by POIS, a part of Foresters Friendly Society, and used to set up and administer the plan for which you are applying and for other business purposes. Further information about how we hold and use your personal information is available on our website (www.forestersfriendlysociety.co.uk/privacy-policy).

Where an application is made via a Financial Adviser (FA), you agree to your details being disclosed to that FA until you instruct us otherwise.

We (Foresters Friendly Society, including your Branch) would like to provide you with information about products, services and events which may be of interest to you. To consent to receive this, please select your preferred option(s) below:

Post Email Text Message (SMS) Phone

You can update your preferences at any time by calling 0800 783 4162, emailing memberservices@forestersfriendlysociety.co.uk, completing the online form available at www.forestersfriendlysociety.co.uk/contactpreferences or writing to us at: Foresters Friendly Society, 29-33 Shirley Road, Southampton SO15 3EW.

From time to time, carefully selected third parties that Foresters Friendly Society work with may like to contact you about products, services and events which may be of interest to you. To consent to receive this, please select your preferred option(s) below:

Post Email Text Message (SMS) Phone

As above, you can update your preferences at any time via the methods provided.

Please turn over to continue and complete your application

The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Foresters Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Foresters Friendly Society to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Foresters Friendly Society or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society. - If you receive a refund you are not entitled to, you must pay it back when Foresters Friendly Society asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written notification may be required. Please also notify us.

Children's Tax Exempt Plan

9. Declaration

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

I wish to apply for the POIS Children's Tax Exempt Plan.

I have read and understood the Key Information Document and Important Information section. I confirm that the child is a UK resident (excluding Isle of Man and Channel Islands) and in applying for this plan, I declare that to the best of my knowledge and belief the statements provided on this Application Form are true and correct.

I confirm that the child does not currently hold a Friendly Society Tax Exempt Savings Plan. I understand that all correspondence relating to the plan will be sent to the child's Parent/Guardian until the child's 16th birthday, and will be sent to the child after their 16th birthday.

I confirm that, once this plan starts, the combined amount the child will then be paying into qualifying plans will not exceed their current annual limit of £3,600.

I understand that the child will be entitled to Foresters Friendly Society surplus in the event of the closure of the Society only after having been a member for five years. I understand that a copy of the Rules and Memorandum are available upon request.

In cases where you are not the child's Parent/Guardian: I confirm that the child's Parent/Guardian consents to me setting up this savings account.

I confirm that I have not been given advice by POIS or Foresters Friendly Society in relation to the purchase of this plan.

Signature

Date

Apply now for your child's future

Send your completed application form to:

POIS
FREEPOST RLST-SJZE-BACC
29-33 Shirley Road
Southampton
SO15 3EW

Telephone: 0800 622 417

Email: memberservices@pois.co.uk

www.pois.co.uk

Information, including a copy of this document, is available in large print, audio and Braille upon request.

POIS is not part of the Post Office or Royal Mail plc. POIS is a part of Foresters Friendly Society which is the trading name of The Ancient Order of Foresters Friendly Society Limited which is an Incorporated Friendly Society (Registration No. 511F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Registration No. 110029).

564/2017/CTEPBRO/11/17

