

Saving for their future

We talk to the experts to find out how you can save for your child's future, setting them up for later life. Words: **Leanne Macardle**

We all want to do the best we can for our children, and thinking about their long-term finances can be an act of foresight that's hugely appreciated in future years.

University

With tuition fees costing up to £9,250 a year, it's little wonder that parents want to save in advance — and it's never too early to get started, says Rachel Springall, finance expert at Moneyfacts.co.uk. "Setting aside a minimum of £100 a month is a fantastic start," she explains. "Apart from children's savings accounts, another vehicle to consider would be a junior ISA (JISA) — savers can choose a cash interest option or a stocks and shares version, which in the long-term is likely to outperform the low interest rates on offer from most bank accounts today."

For those comfortable with investment risk, going down this route could pay off, with analysis from Fidelity International revealing that saving £100 a month

into an investment JISA could generate £32,000 over 18 years, more than enough to cover three years' worth of tuition fees.

First home

It's a similar story when it comes to saving for a first home. Again, starting early is key, as even small savings can lead to substantial returns over a decade or two.

Paul Gibbens, property expert at Housebuyers4u, recommends JISAs here as well, the bonus being that your child won't pay tax on any interest earned. Alternatively, you could "open a savings account on



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behalf of your child and get them to start managing it, which can be done from the age of seven".

And, if parents are concerned about their children getting their hands on a sizeable sum of money in their teenage years, they could approach a solicitor to discuss locking any savings into a trust, notes Rachel, so it's ready for that all-important deposit.

Pension

Many of us don't give enough thought to pensions for ourselves, let alone our children, but Chris Eastwood, co-founder of Penfold, believes that paying into a pension for your child should be an option.

"Under current regulations, you can pay in up to £2,880 per year, and with the 20% tax relief added on top, this takes it up to £3,600," he said.

"The money invested will be tied up until the child is in their mid-50s, but your contributions could alleviate some of the pressure on saving for a pension later on in life."

"The compound interest can provide a real boost to their retirement fund," added Paul Wilson, consumer finance expert at Little Loans. "It's a tax-efficient way to get a nest egg started for your offspring."

Investing in your family's future

Buying a property is the biggest investment that most of us will ever make

However, paying too much stamp duty might leave you shorter than you need to be for the other important financial decisions you need to make.

Whether it's paying for the kids to go to university, replacing a car or simply building a nest egg, a proper assessment of the stamp duty due on your purchase could save you thousands of pounds and help to make the next investment in yours and your family's future.

With as many as one in four buyers paying the incorrect amount of stamp duty, solicitors facing increasing claims for overpaid stamp duty and HMRC describing its own calculator as merely 'intended as a guide', the question is whether you can afford not to take expert advice on this tax when the difference could run to the tens of thousands of pounds or more.

Cornerstone can provide you with a full suite of services from a simple certification of the correct stamp duty due to complex advice on every aspect of your transaction to maximise the savings that may be available. Even if your purchase has already completed, the company may still be able to help, with £12m in historically overpaid stamp duty reclaimed from HMRC for our clients in the last year alone.



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