

Saving Gateway



HM TREASURY

department for

education and skills

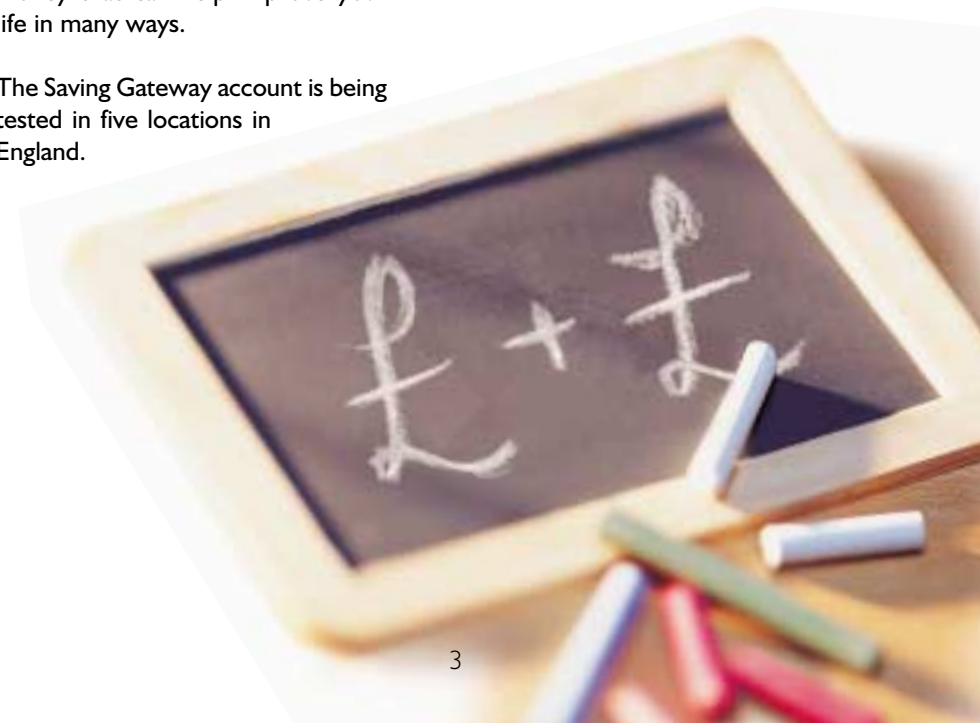
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The Saving Gateway...

What you need to know	The answers
Account opening amount	Between £1 - £25
Paying in money	For every pound you pay in, the Government will also pay in a pound. You can pay in up to £25 a month
Total savings allowed	Maximum account balance of £375 (excluding Government match of your money)
Taking money out	Providing you leave £1 in the account you can withdraw all your money. No notice is needed
How long does the account last?	18 months
Keeping track of your money	Passbook updates and statements every three months
Number of accounts allowed	One
Number of times I can pay in / take money out	No limit
Can I close the account at any time?	No, only after 18 months but you don't have to pay in every month
Interest	No interest paid, but the Government will match your savings 'pound for pound'
When do I receive the Government's matched funds?	When the account ends - after 18 months

...main features made clear

- Saving Gateway is a new savings account. It has been designed by the Government to help you save by **matching your savings "pound for pound"**.
- For every pound you save (up to a limit), the Government will put a pound in as well (there are some rules about how much you can save - you can read about these later). It's as simple as that!
- Saving has an important part to play in people's lives. By saving small amounts of money regularly, you can soon build up a valuable pot of money that can help improve your life in many ways.
- The Saving Gateway account is being tested in five locations in England.
- The Government needs to understand how the Saving Gateway would work if it was made available across the whole country.
- Your Saving Gateway (SG) account will be provided by the Halifax plc. The Halifax branch below has been designated as your Saving Gateway branch:



Who can have a SG account?

The Saving Gateway account is for people who are on low incomes or who are out of work and on benefits.

You can have a Saving Gateway account if you are of working age (between 16 and 65, or 60 for women), and satisfy one or more of the following conditions:

- you have children and you have household earnings of less than £15,000 a year or
- you have a disability and you have household earnings of less than £15,000 a year or
- you do not have children or a disability and your individual earnings are less than £11,000 a year or
- you are out of work and receiving benefits.

You will need to provide evidence of your eligibility. This evidence can include:

For those in work:

- If you receive Working Families Tax Credit, or Disabled Persons Tax Credit - presentation of your award letter or
- Your last 3 months' pay slips or
- Company account details / tax returns if you are self-employed.

For those out of work and on benefits:

- Presentation of your award letter or benefit book for:
- Job Seekers Allowance or
 - Income Support or
 - Incapacity Benefit / Severe Disablement Allowance.

If you have not received an invitation letter through the post, your eligibility will be checked by your local Community Finance and Learning Initiative contact. They will give you a Saving Gateway invitation letter if you meet these conditions.

**FULL-TIME STUDENTS AND PENSIONERS ARE NOT ELIGIBLE FOR A SAVING GATEWAY ACCOUNT
YOU CANNOT OPEN A SAVING GATEWAY ACCOUNT WITHOUT AN INVITATION LETTER**

How to open a SG account

Once you have received an invitation letter through the post or from your local Community Finance and Learning Initiative you can open a Saving Gateway account by:

- Calling in personally to your designated Saving Gateway branch of Halifax and completing an application form.
- Completing the application form and posting it, together with your invitation letter, to your Saving Gateway branch of Halifax (the address is on page 3).
- Calling in to your local Community Finance and Learning Initiative for help with completing the application form (not available in all pilot areas.)

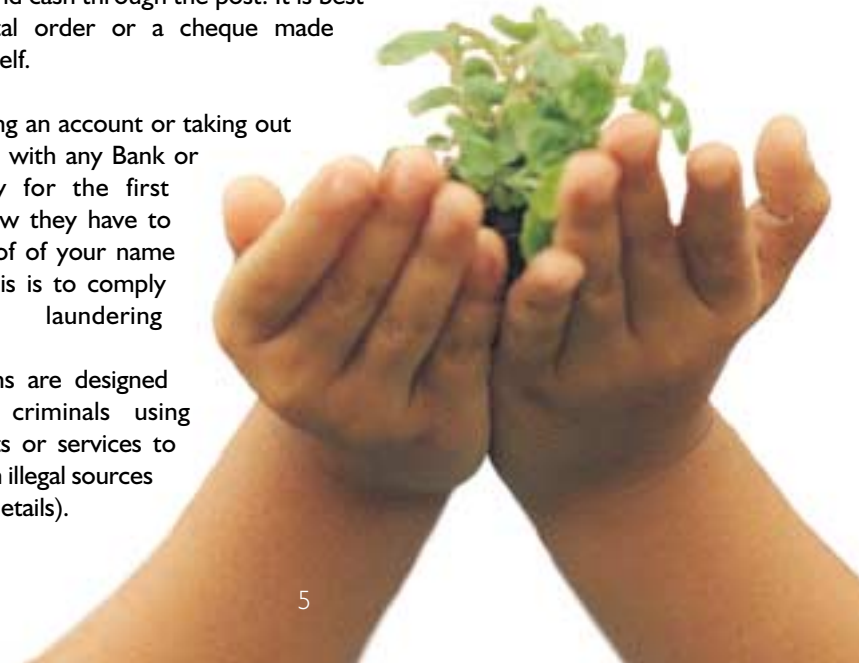
You will also need to bring or post to your designated Halifax branch:

- your opening deposit (minimum £1) together with
- your invitation letter.

Please do not send cash through the post. It is best to send a postal order or a cheque made payable to yourself.

If you are opening an account or taking out certain products with any Bank or Building Society for the first time, then by law they have to ask you for proof of your name and address. This is to comply with money laundering regulations.

These regulations are designed to help stop criminals using financial products or services to hide money from illegal sources (see page 8 for details).



How your SG account works

Paying money in

You can pay up to £25 per month into your Saving Gateway account. You cannot hold more than £375 in your Saving Gateway account.

For every £1 you put into your account the Government will match it (by putting in £1) when the account ends - after 18 months.

Ways to pay in money

You can pay money into your account in the following ways:

- You can automatically transfer a set amount into your Saving Gateway account on the same day each month, by setting up a Standing Order. Halifax will be able to give you the details that your bank will need to do this.
- By calling into your designated Saving Gateway branch.
- By sending a cheque (payable to yourself) in the post to your local Saving Gateway branch.

Taking money out

You can take your money out of your Saving Gateway account at any time.

Taking your money out of the account will not reduce the matched money from the Government you have already built up.

However, you will not build up any more matched money until you have saved the money you took out of your Saving Gateway, again.

Another way to think about it is that the amount of 'matched' pounds you receive from Government will be equal to the highest balance you achieve during the 18 months of your account.

You will not be able to withdraw the money you have built up as 'matching' from the Government until the account 'matures' - this is after 18 months.

Money can be taken out of the account in the following ways:

- By calling into your designated Saving Gateway branch of Halifax.
- Sending a request by post to your designated Saving Gateway branch of Halifax. They will then send you a cheque.

What happens when the account ends (after 18 months)?

When your Saving Gateway account ends, the Government will put the matched funds you have built up into your account.

Your Saving Gateway account will then become a 'Halifax Liquid Gold account' - a simple branch-based passbook savings account that pays interest and allows you instant access to your money. You can change this account to another one of your choosing at any time, or transfer the money to an account with another bank.

What can you use the money for?

It's up to you! There are no restrictions on how you use the money, including the Government's contributions.

To help you make informed decisions, Halifax will write to you inviting you to attend a 'Saving and Investing Review' at your designated branch of the Halifax. At the review you will be able to discuss the saving options available to you e.g. putting your money into a Mini Cash ISA (a tax-free saving account).

Statements

- A statement is a record of all the money you have paid in and taken out of your account.
- You will receive a statement every three months.
- The statement shows you how much matching funds you will be entitled to from the Government when the account ends.

Saving Gateway Quarterly Statement

Mr John Smith
1 Sample Road
Manchester
Lancs
M12 8J4

Statement date: 30 September 2002
Account number: 10101010
Account Opened: 05 June 2002
Account Maturity Date: 04 November 2003

Your own contributions				Government matching	
Date	Deposits	Withdrawals	Balance	Match for your contributions	Your total match to date
5-Jun-02	15.00		15.00	15.00	15.00
25-Jun-02		10.00	5.00		15.00
25-Jul-02	25.00		30.00	15.00	30.00
25-Aug-02	25.00		55.00	25.00	55.00
28-Aug-02		15.00	40.00		55.00
10-Sep-02	10.00		50.00		55.00

The balance of your contributions to your account is £ 50.00
Government matching at maturity will be £ 55.00
The total value of your Saving Gateway is £ 105.00

Please remember you cannot get the money the Government gives to match your money until after the account maturity date.

Other important information

Halifax plc is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Where a customer has made deposits in a savings or bank account, payments under the scheme are limited to 100% of the first £2,000 and 90% of the next £33,000 of the customer's total deposits subject to a maximum payment to any one depositor of £31,700. Most deposits denominated in sterling and other European Economic Area currencies and euro are covered. There are different levels of protection for other investments covered by the Financial Services Compensation Scheme. Further details are available on request.

Name and Address verification details

As well as Halifax's legal responsibility, it is their aim as a major bank to do all they can to combat financial crime and protect their customers from fraud. As part of their security checks they will ask you to provide evidence about your personal details. This will include:

- Your name and address (documentary proof is needed - see below for more information)
- Your nationality and country of residence
- Your date of birth
- Your occupation *and*
- How you expect to fund your account.

In person

If you are completing your application either with your local Community Finance and Learning Initiative or at your designated Saving Gateway branch of the Halifax you will require **one item from each of the following lists:**

To confirm your name

- Current full signed passport.
- Current UK driving license (full old paper version).
- Current UK photocard driving license (full or provisional).
- Firearms certificate.
- Buildings industry sub-contractor's certificate (issued by the Inland Revenue).
- Benefits Agency benefit book or original notification letter from the Benefits Agency confirming your right to benefits.
- Inland Revenue tax code notification.

To confirm your address

- Current UK photocard driving license (full or provisional).
- Bank / building society / credit union statement or passbook showing your current address.
- Current council tax bill.
- Local council rent card or tenancy agreement.
- Most recent (not more than 3 months old) utility bill (e.g. gas or electricity) or certificate from a utilities supplier confirming a pre-payment agreement.
- Benefits Agency benefits book or original notification letter from the Benefits Agency confirming your right to benefits.
- Most recent original mortgage statement from a recognised lender.

The same document cannot be used to confirm both name and address. If you are not in possession of any of the above documents, talk to your local Community Finance and Learning Initiative (if applicable) or your designated Halifax branch for further guidance.

By post

If you are posting your application and therefore providing proof of your name and address by post, some of the 'In person' documents previously listed are not appropriate. The Halifax will need to see **three original documents from the lists below**. Once they've looked at them, they'll send them straight back to you. Please note that you can't use the same documents to confirm both your name and address. You must show them three separate documents, at least one from the 'To confirm your name' list and one from 'To confirm your address' list below.

To confirm your name

- Original notification letter from the Benefits Agency confirming your right to benefits.
- Firearms Certificate.
- Building industry sub-contractor's certificate (issued by the Inland Revenue).
- Inland revenue tax coding notification.

If you cannot provide the above documents, please provide one or more of the following:

- Birth certificate (if you're under 18).
- Recent bank / building society / credit card statement.
- Most recent utility bill (e.g. gas or electricity) or a certificate from a utilities supplier confirming a pre-payment agreement.

To confirm your address

- Bank / building society / credit union statement showing your current address.
- Current council tax bill.
- Local council tenancy agreement.
- Most recent original mortgage statement from a recognised lender.
- Most recent utility bill (e.g. gas or electricity) or certificate from a utilities supplier confirming a pre-payment agreement.
- Original notification letter from the Benefits Agency confirming the right to benefits (if not used for proof of name).

If you are concerned that documents may go astray you can of course show them to your designated Saving Gateway branch of Halifax. If you are doing this, however, please bring in only two items - one from each of the lists mentioned in the 'In person' section on the previous page.

The Saving Gateway pilot

The Saving Gateway pilot is a project that will let the Government test the Saving Gateway account in a small number of locations so that they can better understand how the account would work if it were made available across the whole country.

By taking part in the pilot, you will be able to open a Saving Gateway account, and you will also be giving the Government vital information on how to make the account work nationwide.

Will I have to do anything if I join the Saving Gateway pilot?

Because we need to check how well the Saving Gateway works, people taking part in the pilot will be asked for information from time to time.

The information we collect will allow us to get your views on different aspects of the project and help the Government understand what your experience of the Saving Gateway has been.

In taking part in the Saving Gateway, we hope that you will agree to talk to us about your experiences of the scheme. This is important so we can make sure that the Government's plans for the Saving Gateway will work as well as possible.

The information you provide will only be used to evaluate the Saving Gateway project.

How long will you need to talk to me?

We expect a first conversation to last around one hour, and a second chat to last about 30 minutes. The second maybe conducted over the telephone to make it easier for you.

You may also be asked to take part in "focus groups". These are joint discussions with you and other participants in the Saving Gateway pilot, and would be optional.

