



HM Government

Help to Save

Partner communications toolkit



Help to Save is an exciting new Government savings offer, designed to help working people on low incomes to build up their savings.



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An introduction to Help to Save

Help to Save is an exciting new Government savings offer, designed to help working people on low incomes to build up their savings. It will support people to become regular savers, helping families and individuals prepare and plan for the future through a **generous 50% tax-free bonus**.

The accounts are government-backed, simple to open, and flexible. Savers can pay in from £1 to £50 each calendar month. Customers making the maximum deposit of £2,400 over four years without making withdrawals will receive government bonuses of £1,200.

Accounts open from September 2018 – and are set to benefit hundreds of thousands of working people.

To help to ensure as many people receive this extra support as possible we would appreciate your help. To help spread the word we have produced this guide for stakeholders with content for your own channels, as well as communications materials, any of which you are welcome to use. Contact us at: **helptosave.consultation@hmrc.gsi.gov.uk**

gov.uk/helptosave



Help to Save top FAQs

What is a Help to Save account?

Help to Save is a digital savings account designed to encourage working individuals and households on low incomes to save regularly. The accounts are secure, simple to use and flexible.

Savers will receive a tax-free Government bonus of 50p for every £1 of eligible savings instead of interest.

From September 2018, the scheme will open to working people eligible for Working Tax Credit or claiming Universal Credit.

Once an account has been set up, it will run for four years (individuals can only open one account). Over the four years, customers saving the maximum of £50 per calendar month can save £2,400; receiving a tax-free bonus of up to £1,200. There is no minimum account balance or monthly transfer needed to keep a Help to Save account open. Customers can also choose to skip payments, although the less money saved the smaller the final bonus.

Individuals can withdraw money at any time from their account. However withdrawing money will make it harder to increase the highest balance in the account, and therefore get the biggest bonus.

Account holders can choose to close their Help to Save account at any time but **will not** be entitled to any unpaid bonus and will be unable to re-open an account. Customers should ring the helpline if they want to close their account.

Eligible customers have up to five years to open an account (from September 2018), so they can decide when the time is right for them.

Find out more at gov.uk/helptosave or by phoning 0300 322 7093

Who is eligible for Help to Save?

To be eligible for Help to Save, customers must be a UK resident and:

- be receiving Working Tax Credit; or
- have a nil award of Working Tax Credit but receiving Child Tax Credit; or
- be in receipt of Universal Credit with minimum individual or household earnings equivalent to 16 hours times the National Living Wage in their last income assessment period (that's £542.88 during the financial year 2018-19).

If customers have a joint Universal Credit or tax credits award, both partners can open an account.

Where can customers apply?

Customers can open an account online at gov.uk/helptosave. Alternatively customers can use the HMRC app, available for iOS and Android.

Tax credits customers can use their personal tax account – see 'Manage my tax credits'. Customers who are digitally excluded can apply by phone via the Help to Save helpline 0300 322 7093.

Changes in circumstances

Once a customer has opened a Help to Save account most changes in their circumstances during the lifetime of their account – for example, ceasing to be eligible for Universal Credit or Working Tax Credits – will not affect their entitlement to continue saving under the scheme.

There is one exception – that is those who **no longer continue to live in the UK or are absent for a period of time** which is:

- more than eight weeks for those receiving Working Tax Credit when they opened their account, or
- more than one month for those receiving Universal Credit when they opened their account.

There are exceptions where an absence is due to illness, medical treatment or bereavement, or certain professions.

How do deposits work with Help to Save?

Customers can save between £1 and £50 each calendar month, so even small amounts of savings will add up. There's also no limit on the number of deposits made in the month up to the £50 limit. And if customers are unable to save every month, their account will not be affected – they do not need to make regular payments to keep it open.

Deposits can be made by debit card, or by setting up a regular standing order to make saving even easier. Standing orders can be set up weekly, fortnightly, or monthly depending on the customer's needs.

To make the most of monthly deposits and get the maximum bonus, payments – including standing orders – need to arrive in the account before the last working day of the month, to ensure they are credited that month. Customers should plan around weekends and public holidays.

All transactions and the account balance can be managed using the online account or via the mobile app.

Making withdrawals

Help to Save is there to help customers to plan and prepare for the future. So when the unexpected happens, having some money put aside can help avoid expensive credit or loans.

Any money paid into the account can be withdrawn at any time, but this may affect the amount of bonus earned. The transfer from Help to Save into a nominated account will normally take place within three working days.

The £50 per calendar month limit on deposits will still apply – withdrawals or missed months cannot be 'made up' at a later date.

Customers can, if they choose to, withdraw the full amount of savings and keep their account open with a nil balance without needing to close the account. Savers should consider keeping their account open, in case they decide to start making regular deposits again, to receive any Help to Save bonus.

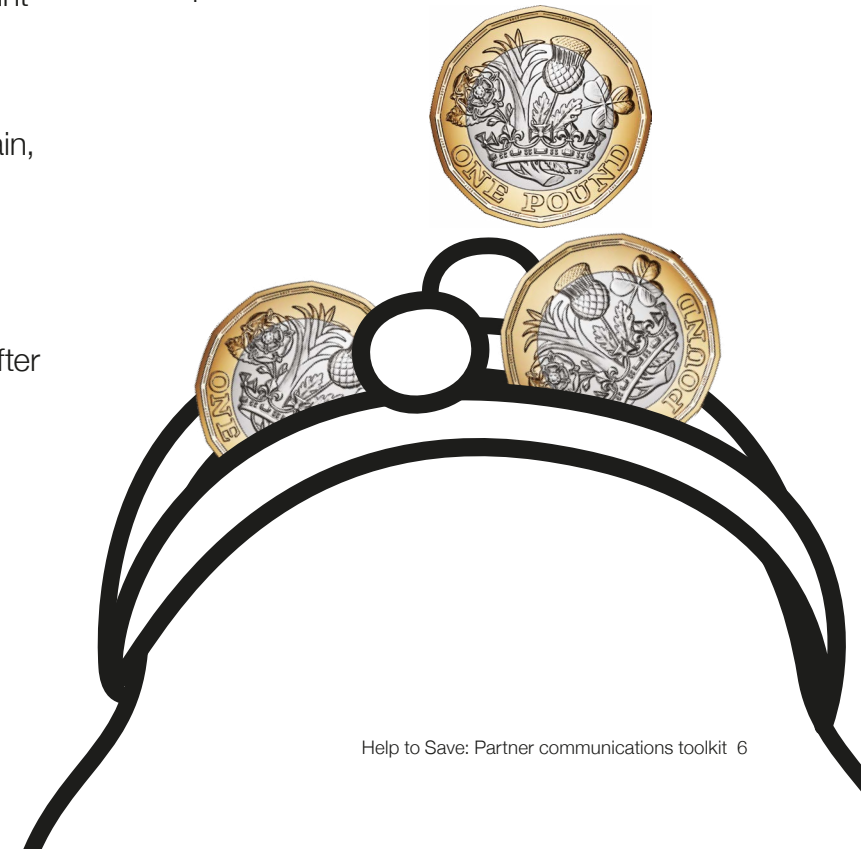
How does the bonus work?

There are two tax-free bonuses, paid after two and four years. The **first bonus**, paid after two years, is a 50% bonus based on the **highest balance** achieved during the first two years.

If a customer continues saving and achieves a higher balance in years three and four then they will earn a second bonus. This **second bonus**, paid after four years, is calculated at 50% of the **difference between** the highest balance achieved during years three and four and the highest balance achieved during the first two years.

Bonuses will be paid into the customer's nominated account and **not** added to the Help to Save account. Over four years those saving the maximum amount of £2,400 would receive total bonuses of £1,200.

In the event of a customer dying or if they are diagnosed with a terminal illness, the bonus will be paid earlier.





Bonus example 1: Paying in the maximum

- > Sam pays in the maximum of £50 a month for the first two years: $£50 \times 24 \text{ months} = £1,200$
- > She makes no withdrawals and gets a 50% bonus on her highest balance: $50\% \text{ of } £1,200 = £600$
- > Sam now has £1,200 in her Help to Save account and the £600 bonus is paid into her nominated bank account
- > She continues to make maximum payments of £50 into the account for the further two years and makes no withdrawals: $£50 \times 24 \text{ months} = £1,200$ + £1,200 (carried over from first two years) = £2,400
- > She earns her bonus on the difference between the highest balance during the first two years and the second two years: $£2,400 - £1,200 = £1,200$. Bonus payment is $50\% \text{ of } £1,200 = £600$
- > After four years, Sam has £2,400 in her Help to Save account and two bonus payments of £600 each (£1,200 in total) into her bank account.



Bonus example 2: Paying in lower amounts

- > Chris pays in £20 a month for the first two years: $£20 \times 24 \text{ months} = £480$
- > He makes no withdrawals and gets a 50% bonus on his highest balance: $50\% \text{ of } £480 = £240$
- > Chris now has £480 in his Help to Save account and £240 paid into his nominated bank account
- > Over the next two years, Chris pays in a higher amount of £30 a month and makes no withdrawals: $£30 \times 24 \text{ months} = £720$ + £480 (carried over from first two years) = £1,200
- > He earns a 50% bonus on the difference between the highest balance during the first two years and the second two years: $£1,200 - £480 = £720$. Bonus payment is $50\% \text{ of } £720 = £360$
- > After four years, Chris has £1,200 in his Help to Save account and two bonus payments totalling £600 (£240 first bonus + £360 second bonus) in his bank account.

Will Help to Save affect my benefits?

The bonus does not count as income for tax credits, Universal Credit or any other income related benefit, e.g. Housing Benefit.

Universal Credit and other income-related benefits have a capital (or savings) test. If a customer has more than £6,000 across all accounts their award will be gradually reduced (or tapered). They cannot claim these benefits if total capital exceeds £16,000.

There is no capital test for tax credits.

Can HMRC take money from my Help to Save account, for example to pay a tax credit overpayment?

HMRC has legal powers to recover debts directly from any UK bank or building society account, including Help to Save accounts.

As a last resort, HMRC can recover debts from the accounts of debtors who are able to pay what they owe but have chosen not to do so.

Customers who have already made arrangements will never be affected by these powers.



Social posts and posters


Social media and local communications are great ways to spread the word about Help to Save, encouraging individuals to find out more and apply. Here are examples of available material which you are welcome to use.

Contact us at:
helptosave.consultation@hmrc.gsi.gov.uk

Social posts




Posters



HM Government

Start a new savings habit

Apply now for **Help to Save** to get 50p for every £1 you save.



gov.uk/helptosave



HM Government

Bonus boost

Save between £1 and £50 a month in your **Help to Save** account to get your 50% bonus.



gov.uk/helptosave



HM Government

Watch your money grow

Help to Save – a 50% bonus on your savings from the government after 2 and 4 years.



gov.uk/helptosave



HM Government

Cash back

Get bonuses worth up to £1,200 with **Help to Save**.



gov.uk/helptosave

Help to Save is there to help customers to plan and prepare for the future. So when the unexpected happens, having some money put aside can help avoid expensive credit or loans.



