UK Data Archive Study Number 6079 - Family Resources Survey, 2006-2007

FAMILY RESOURCES SURVEY

2006-07

SHOW CARDS

P2570

CARD A

1. **Nursery School / Nursery Class / Playgroup / Pre-school**
2. **State run Primary (including reception classes)**
3. **Special School State run (e.g. for children with disabilities and special educational needs)**
4. **Middle-deemed Primary School (state run or assisted)**
5. **Middle-deemed Secondary School (state run or assisted)**
6. **Secondary School (state run or assisted)**
7. **Non-advanced further education / 6th form / tertiary / further education college)**
8. **Any PRIVATE / Independent school (prep, primary, secondary, City Technology Colleges)**
9. **University/ polytechnic / any other higher education**
10. **Home Schooling**

CARD B - England

1. English
2. Scottish
3. Welsh
4. Irish
5. British
6. Other answer

CARD B - Scotland

Scottish

English

Welsh

Irish

British

Other answer

CARD B - Wales

Welsh

English

Scottish

Irish

British

Other answer

CARD C

White
1. British
2. Any other white background (please describe)

Mixed
3. White and Black Caribbean
4. White and Black African
5. White and Asian
6. Any other Mixed background (please describe)

Asian or Asian British
7. Indian
8. Pakistani
9. Bangladeshi
10. Any other Asian background (please describe)

Black or Black British
11. Caribbean
12. African
13. Any other Black background (please describe)

Chinese or other ethnic group
14. Chinese
15. Any other (please describe)

CARD D

1. **Own it outright**

2. **Buying it with the help of a mortgage or loan**

3. **Pay part rent and part mortgage (shared ownership)**

4. **Rent it**

5. **Live here rent-free** (including rent-free in a relative's /friend's property; excluding squatting)

6. **Squatting**

CARD E

1. The local authority/council/New Town development/Scottish Homes

2. A housing association, charitable trust or Local Housing Company

3. Employer (organisation) of a household member

4. Another organisation

5. Relative/friend (before you lived here) of household member

6. Employer (individual) of a household member

7. Another individual, private Landlord or Letting Agency

CARD F - England and Wales

1. Assured Shorthold
2. Assured
3. Regulated (tenancy must have started in 1988 or earlier)
4. Resident landlord
5. Let by educational institution
6. Other type of let

CARD F - Scotland

1. Short Assured
2. Assured
3. Regulated (tenancy must have started in 1988 or earlier)
4. Resident landlord
5. Let by educational institution
6. Other type of let

CARD G

1. **Crown tenancy / licence (includes H.M Forces)**
2. **Service occupancy (excludes H.M Forces)**
3. **Business or agricultural tenancy**
4. **Assured agricultural occupancy**
5. **Asylum seeker let (issued by National Asylum Support Service NASS)**
6. **Holiday let**
7. **Other type of let**

CARD H

1. To make improvements or extensions to this property

2. To help purchase a major item like a car, boat, caravan, or second home

3. To get a better, or fixed, interest rate

4. In connection with a business

5. To buy out another person's share in the property

6. For essential repairs to make the property fit for Occupation

7. To move to a more flexible mortgage

8. Some other purpose

CARD I

1. **An ENDOWMENT mortgage** – where your mortgage payments cover interest only

2. **A REPAYMENT mortgage –** where your mortgage payments cover interest and part of the original loan

3. **A PENSION** mortgage – where your mortgage payments cover interest only

4. **A PEP, Unit Trust or ISA mortgage**

5. **both an ENDOWMENT (or other interest only) and a REPAYMENT mortgage**

6. **an INTEREST ONLY mortgage with more than one linked investment** (eg pension and unit trust, endowment and ISA)

7. **an INTEREST ONLY mortgage with NO linked investment** (eg NO endowment pension, PEP or ISA)

8. **or another type (not listed above)**

CARD J

1. **Current payments into a Pension Plan (pension mortgage)**

2. **Current payments into a PEP or ISA**

3. **Current payments into a Unit Trust or Investment Trust scheme**

4. **Current payments into any <u>other</u> savings / investment scheme**

5. **Proceeds of sale from existing house only**

CARD K

Current Account Mortgages

- **Mortgage is combined with current account and possibly other products**

- **Current account and mortgage are kept in one pot which looks like ‘a large overdraft’**

- **You will usually be required to pay your salary into the account**

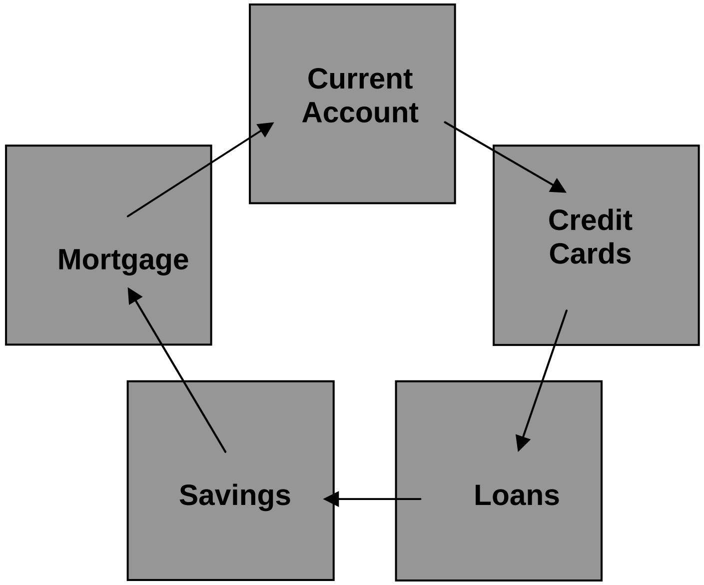
Mortgage	**Current Account**	**Savings**	**Credit Cards**	**Loans**

Examples:
- The Virgin One Account
- NatWest One
- Britannic Money Flexible Current Account Mortgage

CARD L

Offset Mortgages

- Mortgage is **linked** to current account and/ or savings but in separate accounts



Examples:

- Woolwich / Barclays Openplan
- First Direct Smartmortgage
- Halifax Intelligent Finance
- Northern Rock Connections

CARD M

1. Heating
2. Lighting
3. Hot water
4. Fuel for cooking
5. TV licence fees

CARD N

1. To make improvements or extensions to this property

2. To help purchase a major item like a car, boat, caravan, or second home

3. To get a better, or fixed, interest rate

4. In connection with a business

5. To buy out another person's share in the property

6. For essential repairs to make the property fit for occupation

7. Some other purpose

CARD O

25% OR 50% STATUS DISCOUNT BECAUSE:

There is only one adult living here

OR

This household includes:

- **a severely mentally impaired person**
- **a person aged 18 or over who is still at school**
- **a student**
- **student nurses**
- **apprentices**
- **YT trainees**
- **care workers**

CARD P

1. **Ground rent**
2. **Feu duties**
3. **Chief rent**
4. **Service charge**
5. **Compulsory or regular maintenance charges**
6. **Site rent** (applies to caravans only)
7. **Factoring** (payments to a land steward)
8. **Any other regular payments**
9. **Combined charges** (e.g. ground rent, service charge, maintenance charge, factoring, etc.)

CARD Q

Children aged up to 6 years

1. Playgroup or pre school
2. Day nursery or workplace crèche
3. Nursery school
4. Infant's school
5. Primary school
6. Breakfast / after school club
7. Holiday scheme / club
8. Children's centres / integrated centres / combined centres

Children aged 6 years and over

6. Breakfast / after school club
7. Holiday scheme / club
8. Children's centres / integrated centres / combined centres

CARD R

1. Child’s grandparents
2. Child’s non resident parent/ an ex-spouse/ an ex-partner
3. Child’s brother or sister
4. Other relatives
5. Childminder
6. Nanny/Au pair (includes both live-in and day nannies)
7. Friends or neighbours
8. Other non-relatives (includes baby-sitters)

CARD S

1. Looked after his/her child(ren) in return
2. Did him/her a favour
3. Gave him/her a gift or treat
4. Other payment-in-kind
5. No, nothing

CARD T

Keeping an eye out, 'being there':
Being available if needed
Making your whereabouts known so you can be contacted if needed

Social support and assistance:
Sitting with
Chatting with/ listening to/reading to
Making/receiving telephone calls to talk to them
Encouraging them to do things for themselves

Accompanying on trips out to go:
Shopping
To hospital/ GP/optician/dentist/chiropodist
To the park/place of worship/restaurant

Paperwork/official/financial:
Helping with paperwork
Dealing with 'officials' (including by phone)

Home and garden:
Making meals
Going shopping for someone
Washing/ironing/changing sheets
Cleaning /housework
Gardening
Odd jobs/maintenance

Medical:
Collecting prescriptions/giving medication
Changing dressings

Moving about the home: Giving help with
Getting up and down stairs
Moving from room to room
Getting in and out of bed

Personal care: help with
Getting dressed
Feeding
Washing/bathing/using the toilet

CARD U

1. 0-4 hours per week
2. 5-9 hours per week
3. 10-19 hours per week
4. 20-34 hours per week
5. 35-49 hours per week
6. 50-99 hours per week
7. 100 or more hours per week
8. Varies – under 20 hours per week
9. Varies – 20-34 hours per week
10. Varies – 35 hours per week or more

CARD V

1. Less than 6 months
2. 6 months, less than 1 year
3. 1 year, less than 3 years
4. 3 years, less than 5 years
5. 5 years, less than 10 years
6. 10 years, less than 15 years
7. 15 years, less than 20 years
8. 20 years or more

CARD W

1. Mobility (moving about)
2. Lifting, carrying or moving objects
3. Manual dexterity (using your hands to carry out everyday tasks)
4. Continence (bladder and bowel control)
5. Communication (speech, hearing or eyesight)
6. Memory or ability to concentrate, learn or understand
7. Recognising when you are in physical danger
8. Your physical co-ordination (e.g. balance)
9. Other health problem or disability

CARD X

- **I am <u>unable</u> to work at the moment**

- **I am <u>restricted</u> in the amount or type of work I can (or could) do**

- **I am <u>not</u> restricted in the amount or type of work I can (or could) do**

BECAUSE OF ILLNESS, INJURY OR DISABILITY

CARD Y

1. **Work based learning for young people / Youth Training**
2. **Work based learning for adults (WBLA) / Training for Work (TfW)**
3. **Work Trial**
4. **New Deal 25+ / Employment Zones / Project Work**
5. **Career Development Loans / Youth Credits**
6. **New Deal for Young People (18-24)**
7. **New Deal 50+**
8. **New Deal for Disabled People**
9. **Any other training scheme**

CARD Z

1. **The Gateway**
2. **Employment Option**
3. **Full Time education or training**
4. **Voluntary Sector**
5. **Environmental task force**

CARD AA

Reason for early retirement:

1. **Because of my own ill-health**
2. **Ill-health of a family member, other relative or friend**
3. **Compulsory redundancy / dismissed**
4. **I had reached my employer's fixed retirement age**
5. **I was offered reasonable financial terms to retire early or take voluntary redundancy**
6. **To spend more time with my family**
7. **I wanted to give up work / wanted a change**
8. **Other reason - involving own choice**
9. **Other reason (none of the above)**

CARD BB

1. Employee

OR:

2. Running a business or a professional practice
3. Partner in a business or a professional practice
4. Working for myself
5. A Sub-Contractor (includes CI 55/6)
6. Doing freelance work
7. Self employed in some other way

CARD CC

1. Unemployed / looking for work
2. Student / training
3. Looking after the family / home / children
4. Caring for a disabled or elderly person
5. Temporarily sick or injured
6. Long-term sick or disabled
7. Didn’t need employment
8. Retired
9. Made redundant

CARD DD

1. Statutory Sick Pay
2. Statutory Maternity Pay
3. Statutory Paternity Pay
4. Statutory Adoption Pay
5. Income Tax refund
6. Mileage allowance or fixed allowance for motoring
7. Motoring expenses refund

CARD EE

Items relating to this accommodation only:

- **Rent**
- **Mortgage payments**
- **Council Tax**
- **Water/sewerage rates**
- **Insurance on structure**
- **Gas**
- **Electricity**
- **Telephone**
- **Any other <u>business</u> expenses relating to this accommodation (please specify)**

CARD FF

1. Company car
2. Company van
3. Fuel for private use
4. Business mileage payments
5. Travel and business trip expenses

6. Smart pension
7. Medical or dental insurance for self or family
8. Workplace nursery
9. Childcare vouchers / employment contracted childcare
10. Any other benefits in kind

CARD GG

Money from the work account:

- **used for payments to yourself and any other personal spending,**

- **used to pay domestic bills (including standing orders),**

- **transferred to a private account,**

- **used for any other NON-business use?**

CARD HH

1. **Working Tax Credit (EXCLUDING any childcare tax credit)**

2. **Child Tax Credit (INCLUDING any childcare tax credit)**

CARD II

1. **Lump Sum under £105 covering payments for the whole year**

2. **Regular payments via your employer**

3. **Regular payments via your bank, post office account or Giro**

CARD JJ

1. Lump Sum under £105 covering payments for the whole year

3. Regular payments via your bank, post office account or Giro

CARD KK

1. A group personal pension (these are personal pensions arranged by an employer for a group of employees)

2. A company or occupational pension scheme

3. A group stakeholder pension (these are stakeholder pensions arranged by an employer on behalf of employees – the employer may or may not contribute to such a pension)

CARD LL

1. **Employer runs and manages their own scheme**

2. **Employer runs their own scheme which is managed for them by a pension company**

3. **Employer does not run their own scheme but arranges access to a pension provider for its employees**

CARD MM

1. Less than 6 months
2. 6 months but less than a year
3. 1 year but less than 2 years
4. 2 years but less than 5 years
5. 5 years but less than 10 years
6. 10 years but less than 20 years
7. 20 years or more

CARD NN

1. **Contributions are taken out of my pay each week or month**

2. **The scheme is non-contributory but I do pay something** - to make additional provision for myself or my dependants

3. **The scheme is non-contributory.** No-one takes money off my pay each week or month

CARD OO

1. Child Benefit
2. Guardian's Allowance
3. Invalid Care Allowance / Carer’s Allowance
4. Retirement Pension (National Insurance), or Old Person's Pension
5. Widow's Pension, Bereavement Allowance or Widowed Parent's (formerly Widowed Mother's) Allowance
6. War Disablement Pension or War Widow’s / Widower’s Pension
7. Severe Disablement Allowance

CARD PP

1. **Disability Living Allowance (Care Component)**
2. **Disability Living Allowance (Mobility Component)**
3. **Attendance Allowance**

CARD QQ

1. **Jobseeker's Allowance**
2. **Pension Credit**
3. **Income Support**
4. **Incapacity Benefit**
5. **Maternity Allowance**
6. **Industrial Injuries Disablement Benefit**

CARD RR

1. A grant from the Social Fund for funeral expenses

2. A grant from the Social Fund for maternity expenses/ Sure Start Maternity Grant

3. A Social Fund Loan or Community Care grant

CARD SS

1. **‘Extended Payment’ of Housing Benefit / rent rebate or Council Tax Benefit (4 week payment only)**
2. **Bereavement Payment (paid in lump sum)**
3. **Child Maintenance bonus / Child Maintenance Premium**
4. **Lone Parent’s Benefit Run-On/ Job Grant**
5. **Work Search Premium**
6. **In-Work Credit**
7. **Return to Work Credit**
8. **Any National Insurance or State Benefit not mentioned earlier**

CARD TT

1. Mortgage interest
2. Rent arrears
3. Fees for nursing home or residential care
4. Gas or electricity bills
5. Service charges for heating or fuel
6. Water charges
7. Council Tax arrears
8. Fines
9. Maintenance payments

CARD UU

1. Unemployment / redundancy insurance
2. Trade Union sick pay or strike pay
3. Private medical scheme
4. Personal accident insurance
5. Permanent health insurance
6. Hospital savings scheme
7. Friendly Society sickness benefit
8. Critical Illness Cover
9. Any other sickness insurance

CARD WW

1. Employee pension from a previous employer

2. Widow's employee pension (from a previous employer of deceased spouse or relative)

3. Personal pension

4. Pension as a member of a Trade Union or Friendly Society

5. Annuity (includes home income plan or equity release)

6. Payment from trust or covenant

7. Share of employee or personal pension from an ex-spouse/partner as a result of a court order or settlement made on divorce

CARD XX

1. Rent from any property

2. Royalties, for example from land, books or performances

3. Income as a sleeping partner in a business

4. Occupational pension from an overseas government or company, paid in foreign currency

CARD YY

Mortgage payments

Repairs, maintenance and renewals (do not include capital improvements)

Interest on a loan to purchase the property

Rent, rates, insurances paid on the property

Legal and professional costs relating to the purchase

The cost of services provided (cutting grass, maintenance etc.)

CARD ZZ

1. **A regular allowance from a friend or relative <u>outside</u> the household**

2. **A regular allowance from an organisation**

3. **Allowance from a Local Authority for a <u>foster</u> child**

4. **Allowance from a Local Authority for an <u>adopted</u> child**

CARD AAA

1. Babysitter

2. Mail order agent

3. Odd job, occasional work or professional advice

CARD BBB

1. **We have this**

2. **We would like to have this but cannot afford this at the moment**

3. **We do not want / need this at the moment**

CARD CCC

1. **We do this**

2. **We would like to do this but cannot afford this at the moment**

3. **We do not want / need this at the moment**

CARD DDD

1. I have this

2. I would like to have this but cannot afford this at the moment

3. I do not want / need this at the moment

CARD EEE

1. I do this

2. I would like to do this but cannot afford it

3. I do not want / need this at the moment

CARD FFF

1. Child(ren) has / have this

2. Child(ren) would like to have this but we cannot afford this at the moment

3. Child(ren) do not want / need this at the moment

CARD GGG

1. **Child(ren) do this**

2. **Child(ren) would like to do this but we cannot afford this at the moment**

3. **Child(ren) do not want / need this at the moment**

CARD HHH

1. Behind with the electricity bill
2. Behind with the gas bill
3. Behind with other fuel bills like coal or oil
4. Behind with Council Tax
5. Behind with insurance policies
6. Behind with telephone bill
7. Behind with television / video rental or HP
8. Behind with other HP payments
9. Behind with water rates
10. Not behind with any of these

CARD III

1. **Current account** with a bank or building society, supermarket / store or other organisation (including internet and telephone banking)
2. **Basic Bank Accounts** including introductory / starter accounts (including internet and telephone banking)
3. **Post Office card accounts**

National Savings Bank (Post Office):

4. Ordinary account (including internet and telephone banking)
5. Investment account (including internet and telephone banking)
6. **ISA** (Individual Savings Account) (including internet and telephone banking)
7. **Savings account, investment account / bond,** any other account with bank, building society, supermarket/store or other organisation
8. **Credit Union**

CARD JJJ

1. Government Gilt-edged stock (inc. War Loans)
2. Unit Trusts / Investment Trusts
3. Stocks, shares, bonds, debentures or any other securities
4. PEP (Personal Equity Plan)
5. Profit Sharing
6. Company Share Option Plans
7. Member of Share Club

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CARD KKK (part 1)

1. **Capital Bonds** (National Savings and Investments)
2. **Index-linked Certificates** (National Savings and Investments)
3. **Fixed interest Certificates** (National Savings and Investments)
4. **Pensioner's Guaranteed Income Bonds** (National Savings and Investments)
5. **Save-As-You-Earn** (National Savings and Investments / Bank / Building Society)
6. **Premium Bonds** (National Savings and Investments)
7. **Income Bonds** (National Savings and Investments)

CARD KKK (part 2)

8. **Deposit Bonds** (National Savings and Investments)
9. **FIRST Option Bonds** (National Savings and Investments)
10. **Yearly Plan** (National Savings and Investments)
11. **Fixed Rate Savings Bonds** (National Savings and Investments)
12. **Guaranteed Equity Bonds**
13. **Endowment not linked to current property**

CARD LLL

1. Child’s parent inside household
2. Child’s parent outside household
3. Child’s grandparents
4. Child’s other relatives
5. Friend of the family
6. Other
7. No contribution

CARD MMM

1. Less than £500
2. From £500 up to £1,000
3. From £1,000 up to £1,500
4. From £1,500 up to £3,000
5. From £3,000 up to £8,000
6. From £8,000 up to £20,000
7. Over £20,000

CARD NNN

1. Less than £1,500
2. From £1,500 up to £3,000
3. From £3,000 up to £8,000
4. From £8,000 up to £20,000
5. From £20,000 up to £25,000
6. From £25,000 up to £30,000
7. From £30,000 up to £35,000
8. From £35,000 up to £40,000
9. Over £40,000

CARD OOO

Regular Income after tax from:

Jobs

Pensions

Benefits

Maintenance

Savings and Investments

CARD PPP

	ANNUAL	MONTHLY	WEEKLY
1. Up to	£2,500	£200	£50
2. From	£2,501-£5,500	£201-£450	£51-£100
3.	£5,501-£8,000	£451-£650	£101-£150
4.	£8,001-£10,000	£651-£800	£151-£200
5.	£10,001 or more	£801 or more	£201 or more

CARD QQQ

	ANNUAL	MONTHLY	WEEKLY
1.	£0 – 5,000	£0 – 400	£0 - 100
2.	£5,001 – 11,000	£401 - 900	£101 - 200
3.	£11,001 – 13,000	£901 - 1100	£201 - 250
4.	£13,001 – 15,000	£1,101 – 1,250	£251 - 300
5.	£15,001 – 19,000	£1,251 – 1,600	£301 – 350
6.	£19,001 – 23,000	£1,601 – 1,900	£351 – 450
7.	£23,001 – 50,000	£1,901 – 4,150	£451 – 950
8.	£50,001 – 58,000	£4,151 – 4,850	£951 – 1,100
9.	£58,001 – 66,000	£4,851 – 5,500	£1,101 – 1,250
10.	£66,001 or above	£5,501 or above	£1,251 or above

CARD RRR

1. £1 - 50
2. £51 - 100
3. £101 - 250
4. £251 - 500
5. £501 - 1000
6. £1,001 – 2,000
7. £2,001 – 3,000
8. £3,001 – 5,000
9. £5,001 – 10,000
10. £10,001 – 20,000
11. £20,001 - 30,000
12. £30,001 or over

Maternity Allowance
For women who have paid enough Class 1 or 2 NI contributions but are not entitled to Statutory Maternity Pay because, for example, they are self-employed or recently changed jobs. Payment can be made for a period of 26 weeks beginning 11 weeks before the baby is due (later if still working).

Sure Start Maternity Grants (formerly maternity expenses) *m*
A grant from the Social Fund for maternity expenses is available if the respondent or partner is getting either Income Support, Income-based JSA, Pension Credit or Tax Credits. One-off payment of *£500*.

New Deal Schemes
People on New Deal schemes may be offered work in the Voluntary Sector or with the Environmental Task Force. They are usually paid an allowance equal to their Jobseeker's Allowance. The schemes include: New Deal for people aged 18-24, New Deal for people aged 25 plus, New Deal for Lone Parents, New Deal for Disabled People, New Deal for partners and New Deal for people aged 50 plus.

Over 80 Pension
Also called "Old Person's Pension" is payable when a person reaches 80 and does not get a NI Retirement Pension or whose NI pension is less than the Over 80 Pension. Standard rate is *£50.50.*

Pension Credit *m*
From October 2003 this replaced Minimum Income Guarantee (MIG). Comprises 2 elements: i) A Guarantee Credit which is the minimum a pensioner can be expected to live on *(£114.05* per week per single person *£174.05* a couple). Additional amounts for owner occupiers, disability and caring responsibility. ii) The Savings Credit which aims to rewards those who have made provision for their retirement over and above the State Pension. Applications can be made from April 2003.

Reduced Earnings Allowance
Paid to people who cannot return to their regular occupation or do work of the same standard due to disablement caused before October 1990 by industrial accident or disease. It should be included in the 'other state benefits' category.

Retirement Pension (National Insurance)
Paid to women aged 60 or over and to men aged 65 or over. This is the normal State Pension and is the same for men and women who have paid their own NI contributions at the standard rate, and for widows/widowers on their late partner's NI contributions. Persons on this pension may also get Pension Credit (PC) and so you should always check the pension book for details. If there is no pension book because payments are made directly into the bank, ask to see the pension notification form. The majority of pensioners you interview will be getting this pension. The basic rate is *£84.25.* From April 2005, retirement pension can be deferred for as long as you want.

Severe Disablement Allowance
Paid from the 29th week of illness to persons of working age who do not qualify for Incapacity Benefit. Persons getting this can also claim Income Support. Be careful not to confuse this benefit with Incapacity Benefit. Basic rate for a single person is £47.45. Age additions can be paid in conjunction with Severe Disablement Allowance at 3 rates:- Higher rate £16.50, middle rate £10.60 and a lower rate of £5.30.

Social Fund Loans
Repayable interest free loans are available: Budgeting Loans to those on Income Support to help spread budgeting costs for certain items and Crisis Loans to people who cannot meet short term expenses in an emergency.

Statutory Maternity Pay (SMP)
Received by employees during maternity leave. It is paid by the employer. The respondent must have been in the same job for at least 26 weeks and earning enough to have to pay NI contributions. SMP can be paid for up to 26 weeks. The employer may also add 'made-up' pay. It should only be recorded in the last/usual pay. The first six weeks are paid at 90% of respondent's salary, and 20 weeks at the flat rate of £108.85 or 90% of average earnings if less than £108.85.

Statutory Paternity Pay (SPP)
Received by employees during paternity leave. It can be paid for up to 2 weeks. The weekly amount is the smaller of either a)£108.85 or b) 90% of weekly earnings.

Statutory Adoption Pay (SAP)
Received by employees for up to 26 weeks. Rate is £108.85 or 90% of average gross weekly earnings if less than £108.85.

Statutory Sick Pay (SSP)
Paid by employers to employees who earn enough to have to pay NI contributions. It is paid after 4 consecutive sick days for a maximum of 28 weeks in any spell or linked spells of sickness. (After 28 weeks, or if the employer's obligation to pay SSP ends before then, the respondent will usually transfer on to Incapacity Benefit). The employer may also add 'made-up' pay. It should only be recorded in the last/usual pay. The standard rate is *£70.05*

War Disablement Pension
For claimants who were injured or disabled in the Armed Forces between 1914 and 1921 or any time after 2 Sep 1939.

War Widow's/ Widower's Pension
Payable to widow/ers and children of someone killed in the Armed Forces or who died as a result of injury sustained in the Armed Forces.

Widowed Parent's Allowance
Formerly Widowed Mother's Allowance. A weekly basic benefit plus an allowance for each dependent child for whom the parent gets Child Benefit. The child(ren) must be the child(ren) of the widow/widower and their late husband/wife. The standard rate is *£84.25*.

Widow's Pension
A weekly benefit for women aged 45-65 (or 40-65 if widowed before 11 April 1988), paid when their husband dies or when their Widowed Mother's Allowance ends. Replaced by Bereavement Allowance on 1 April 2001 although existing widows will continue to receive it.

Working Tax Credit *m*
A payment to top up the earnings of working people on low incomes, with or without children. Usually paid via PAYE and based on the number of hours worked and income (joint income for couples). There are extra credits for those recipients in working households where someone has a disability. It replaced Working Families Tax Credit and Disabled Persons Tax Credit in April 2003.

Winter Fuel Payments (WFP)
WFPs are made where there is at least one person in the household over the age of 60 to help with heating bills, regardless of whether they are in receipt of any other state benefits. For households where only one person qualifies a full WFP of *£200* is paid. For households where more than one person qualifies a reduced WFP of *£100* is paid. People aged 80 or over receive an additional *£100* (single) or *£50* (couple) each. From Winter 2004/5, eligible households with someone aged 70 or over receive a one-off payment of *£100* with their WFP to help with living expenses such as council tax. Payments may also be made in arrears for past winters.

Family Resources Survey

April 2006

Interviewers' Pocket Guide to Benefits

Note: this Guide is for interviewer use only. It is <u>not</u> intended to be an authoritative statement on benefits; it is designed to give FRS interviewers a basic picture of benefits for which details are required from respondents to the survey.

Benefits marked with 'm' are <u>means-tested</u>, where the claimant's (and partner's) earnings, savings and other income (including some benefits), are taken into account. It is the benefit unit that receives the money, so adults in the same BU should not <u>both</u> be in receipt of the same means-tested benefit.

Weekly rates are shown for certain benefits (mainly those not means tested). Rates are not usually shown if they vary according to age, number of dependants etc, or have a basic rate plus various premiums or allowances.

Attendance Allowance
Paid to disabled persons aged 65 or over living at home who need help with personal care because of their illness or disability. There are two rates; a lower rate for attendance during day OR night (*£41.65*); and a higher rate for day AND night (*£62.25)*. Note that respondents can get AA even if no one is actually giving them the care they need.

Back To Work Bonus
People who have received Income Support or Jobseeker's Allowance for 13 or more weeks and who work less than 16 hours a week can accrue a bonus to be paid when they come off the benefit and go into full time work. The amount accrued depends on how much is earned over the disregard level. This scheme ended on the 25.10.04. Any bonuses accrued up to that point would have been protected till 28.01.05.

Bereavement Allowance
Payable to widows and widowers who are widowed when aged 45 and over, with no dependent children. The benefit is time limited and paid for one year only. There will continue to be an age related scale for those widowed aged 45-55. Replaces Widow's Pension.

Bereavement Payment
Replaces Widow's Payment. A lump sum (*£2000*) paid at the time of death to new widows and widowers.

Child Benefit
Paid for each child under 16 years of age, or aged 16-18 and still in full-time further (but not higher) education. Usually received by the mother. Three rates apply: *£17.45* for the only/elder/eldest child of a couple, *£17.55* for the only/elder/eldest child of a lone parent, and *£11.70* for each subsequent child.

Child Maintenance Bonus
Paid to claimants who have a child for whom maintenance is being paid, and who leave Income Support or Income-based Job Seeker's Allowance. The bonus builds at up to *£5.00* a week whilst the claimant is on benefit and child maintenance is being paid. The maximum bonus is *£1,000*.

Child Tax Credit ***m***
A payment to support families with children. The credit is paid to the person responsible for caring for the children directly into a bank or building society. The Child Tax Credit may also contain an additional allowance for child care expenses. Replaces Children's Tax Credit and Childcare Tax Credit.

Children's Bonus
Recipients of a number of benefits automatically receive this. It should not be recorded anywhere on FRS.

Community Care Grant from the Social Fund ***m***
Mainly for priority groups who get Income Support eg. elderly or disabled people, families under stress, people leaving institutional care.

Council Tax Benefit (CTB) ***m***
Paid by the local authority to the people who are liable for the tax - usually the householder(s). It is either a **main benefit** if householders have a low income, or a **second adult rebate** if there are other adults in the household who are not liable, do not pay rent to the householder, and have a low income. CTB should not be confused with CT *exemptions* (eg. for student households), or *discounts* (eg. for one-adult households). People on Income Support, income-based JSA or Pension Credit will usually get the benefit. For properties in Bands F-H the maximum benefit is limited to that for Band E, if the claim began after April 1998. For tenants in multi-occupied accommodation (eg. bedsits) the <u>landlord</u> is usually liable for the tax, and adds an amount to the rent; here, the tenant will not be able to get CTB.

Disability Living Allowance (DLA)
Persons under 65 can claim for DLA if they need help with personal care and/or with getting around. Once an initial claim is made there is no upper age limit. DLA can be paid even if no-one is giving the care needed. There are two components:
(i) **Care Component** which covers things like washing, dressing, using the toilet, cooking a main meal. Paid at one of 3 rates: Higher *(£62.25)*, Middle *(£41.65),* or Lower *(£16.50).*
(ii) **Mobility Component** for persons who can't walk or have difficulty in walking. Paid at Higher *(£43.45)* or Lower *(£16.50)* rates.

Educational Maintenance Allowance (EMA)
An allowance paid to encourage children aged 16 to 20 years in low income families to stay on at school. Payment of EMA will be made in term time only, an average of 38 weeks per year. There are two types of payments: Weekly Payments and Bonuses. Information on Weekly Payments are collected on the FRS, but information on Bonuses or on reimbursed travel expenses as part of the allowance are not.

Extended Payment of Housing Benefit or Council Tax Benefit
These benefits may be received for a further 4 weeks by people aged under 60 when they start working full-time following a period of at least 6 months being unemployed, on a Government Training Scheme, or on Income Support as a lone parent or carer. Also known as Housing Benefit Run On.

Funeral Payment ***m***
A grant from the Social Fund can be obtained if the respondent or partner gets Income Support, Income-based Jobseeker's Allowance, Pension Credit, Tax Credits, Housing Benefit, or Council Tax Benefit.

Guardian's Allowance
Can be claimed for a child who is in effect an orphan and who lives with the claimant, or whom they help to maintain, whether or not they are the legal guardian. Rate for only/elder/ eldest child /subsequent children *£12.50.*

Housing Benefit ***m***
Paid by the local authority to people who need help with rent. Council tenants on Housing Benefit get a *rent rebate* which means that their rent due is reduced by the amount of rebate. They are however responsible for their own water charges so those on 100% rent rebate do pay a weekly or fortnightly amount to cover these and other charges, where other charges are involved. Private tenants and Housing Association/Registered Social Landlords' tenants usually receive Housing Benefit (or *rent allowance)* personally, although sometimes it is paid direct to the landlord. People on Income Support or income-based Jobseeker's Allowance usually get maximum Housing Benefit. The recipient, or the recipient and their partner, must not have over £16,000 in savings. Housing Benefit is not normally more than rent but from October 2003 in some areas Housing Benefit may exceed rent as part of the Local Housing Allowance Project (please check with respondent).

Incapacity Benefit (IB)
Paid to people who have been medically assessed as incapable of working, if they have paid enough National Insurance contributions. People ineligible for Statutory Sick Pay (SSP) may receive it. If a person is/was receiving SSP, Incapacity Benefit replaces it after 28 weeks. There are three basic rates depending on the period, age of the individual(s) and severity of incapacity and a number of supplements may be received. Medical assessments to review eligibility may be carried out periodically.

Income Support (IS) ***m***
The main benefit for adults with a low income who are not eligible for Jobseeker's Allowance and are not working 16 hours a week or more on average. It is made up of *personal allowances* for each member of the benefit unit, *premiums* for any special needs, and *housing costs*, principally for mortgage interest payments. Those on IS are likely to be getting Housing Benefit (if in rented accommodation) and Council Tax Benefit (if liable). Often paid to top up other benefits, or earnings from p/t work. Pension Credit is the name of IS for those aged 60+.

Industrial Injuries Disablement Benefit
Provided for employees injured at work or suffering from an industrial disease. The amount depends on degree of disablement. Some recipients may also be entitled to Unemployability Supplement. Those whose disablement is assessed as 100% also get **Constant Attendance Allowance** at one of four rates, and may also be eligible for **Exceptionally Severe Disablement Allowance**. Also see **Reduced Earnings Allowance**. Those whose disablement is assessed as 100% are paid a rate of *£127.10.*

Industrial Death Benefit Widows Pension
Widows of those employees killed at work or by an industrial disease may be entitled to this pension if their spouse died before April 1988. Paid at 2 rates:- the higher rate is *£84.25* and the lower rate is *£25.28.*

Invalid Care Allowance (ICA)/Carer's Allowance (CA)
A weekly benefit for people who are not earning more than £79 a week, and who give regular and substantial care (for 35+ hrs per week) to a severely disabled person who get either DLA or Attendance Allowance. Paid at two rates, the Allowance itself is *£46.95* and the Adult Dependent ICA is *£28.05.*

Jobseeker's Allowance (JSA)
Replaced Unemployment Benefit and Income Support for unemployed people in October 1996. The claimant must be out of work or working less than 16 hours a week, actively seeking work and have an agreement with the Employment Service. There are two types: contribution-based, dependent on the amount of NI contributions paid, and income-based, dependent on income and savings. There are fixed age-related allowances, plus for income-based JSA only, extra allowances and premiums.

Job Grant
For people aged 25 or over who leave benefits to go into work after 25.10.04. Recipient must have been on IS, JSA, IB or Severe Disablement Allowance continuously for at least 26 weeks, the work must be for at least 16 hours a week and expected to last for at least 5 weeks. Single people and couples without children receive *£100*. Lone parents and couples with children receive *£250*.

Lone Parent's Benefit Run-On
Gives lone parents who leave IS or JSA (IB) to go into work an extra 2 weeks IS provided the lone parent has been on IS or JSA (IB) continuously for at least 26 weeks, they have been a lone parent throughout that period, and the work is for at least 16 hours a week and expected to last for at least 5 weeks. From 25.10.04, this benefit has been replaced by a new Job Grant.

There are many types of pension scheme with different tax relief and contribution arrangements, and varied ways of building up the pension. Some pension schemes are employer-sponsored, others are set up by an individual in their own right, and a small number are set up on behalf of another family member.

FRS asks adults about pension schemes because these pension schemes will be a source of income in retirement. FRS data are used to monitor eligibility to join employer pension schemes, membership across the different types of pension scheme, and the source of contributions (e.g. employer, employee).

What is a pension?

A pension is a source of regular income to live on in retirement. Most pensions come from the investment growth on the savings and interest payments made into a pension scheme. While working, you pay part of your wages into the pension fund: these payments are called 'employee contributions'. Some employers also make payments into the pension fund: these are called 'employer contributions'.

There are a number of different types of pension:

• **State pensions** – these include the basic State Pension and the additional State Pension;

• **Private or non-state pensions** – these include occupational pensions (also known as work or company pensions) and personal pensions (including stakeholder pensions). People can have several different non-state pensions at once, but they may not be allowed to make contributions to all of them.

The basic State Pension

The basic State Pension is paid by the Government to people who have reached State Pension age. You qualify for it by paying or being credited with National Insurance (NI) contributions, or qualifying for Home Responsibilities Protection (HRP).

Most employers take NI contributions out of your wages. If you are self-employed, you are responsible for paying your own NI contributions.

Occupational pensions

An occupational pension scheme is an arrangement an employer makes to give their employees a pension when they retire. Some pension schemes offer other benefits such as life assurance or a pension for dependants when you die.

Occupational pensions are also known as company or works pensions. Another term that is sometimes used, particularly for schemes set up before the 1990s, is 'superannuation schemes'.

An occupational pension scheme is connected to your job. Self-employed people are normally not eligible to belong to an occupational pension scheme, the main exceptions being doctors and dentists.

When you leave your job, you may not be able to transfer your occupational pension to your new employer's scheme. If you do not transfer your pension to your new employer, you continue to have entitlements to a pension from your previous employer's scheme. These pension entitlements are usually called 'preserved benefits' or 'deferred rights'.

People who have benefits in a previous employer's occupational pension scheme can join a new employer's occupational pension scheme, but they can not continue to pay into the old scheme as well as the new one.

There are two main types of occupational pension:

<u>1. Salary-related pension schemes (also called defined-benefit, DB or superannuation schemes)</u>

In a salary-related scheme, the pension is based on the number of years you belong to the scheme and how much you earn (usually, your earnings when you retire or leave the scheme). Your employer contributes to the scheme and trustees look after scheme members' interests.

Employees often have to pay contributions into the scheme on top of those made by the employer. Some schemes are 'non-contributory': the employee either makes no contributions, or makes a small contribution, typically 1-2% of salary, for extra benefits for a surviving spouse if they die before normal pension age.

<u>2. Money purchase schemes (also called defined-contribution or DC schemes)</u>

In a money purchase scheme, employee contributions (together with any employer contributions) are invested and the amount you get when you retire depends on the total amount of money paid into the scheme over the years and how the investment has grown. When you retire, you use the fund to buy an annuity from an insurance company that gives you a regular income, usually payable for the rest of your life.

Generally, both employers and employees pay a regular contribution – usually a percentage of salary, or a fixed amount each week/month. In some schemes, including 'Smart' pensions and some salary-sacrifice schemes, employees don't make any contributions.

Personal pensions

Introduced in 1988, a personal pension is a kind of pension that people set up for themselves, with a pension provider such as a bank, life assurance company or building society. It is entirely your own, which means you can continue to contribute to it if you move jobs. Personal pensions are the most common pension arrangement for people who are self-employed.

Personal pensions are money purchase schemes (also called defined-contribution or DC schemes). As with occupational money purchase schemes, the money you save is put into investments such as bonds or stocks and shares and the amount you get when you retire depends on the total amount of money paid into the scheme over the years and how the investment has grown. This fund will then be used to buy an annuity from an insurance company that will give you a regular income when you retire.

Group personal pensions (GPPs)

Some employers who do not offer an occupational pension scheme may arrange for a pension provider to offer their employees a personal pension instead. Personal pensions arranged in this way are called GPPs. The employer may have negotiated special terms with the provider which mean that administration charges are lower than those for individual personal pensions.

Although they are sometimes referred to as company pensions, they are not run by employers and should not be confused with occupational pensions, which have different tax, benefit and contribution rules.

Some employers do not make contributions to a GPP, but usually both employers and employees pay a regular contribution – usually a percentage of salary, or a fixed amount each week/month.

When you leave your job, you can continue contributing into your GPP as a personal pension, but your employer will stop making contributions, and you may lose any special terms that your employer has negotiated for the group scheme.

Stakeholder pensions (SHPs)

Introduced in 2001, SHPs are a special type of low-charge personal pension. As with other types of money purchase pensions, the money you save is put into investments such as bonds or stocks and shares and the amount you get when you retire depends on the total amount of money paid into the scheme over the years and how the investment has grown. This fund will then be used to buy an annuity from an insurance company that will give you a regular income when you retire.

SHPs are suitable for people who are self-employed, moderate and low earners, and those who do not have an income of their own but can afford to save for a pension (e.g. women on a career break). SHPs can also be set up for children.

Like personal pensions, SHPs are sold by insurance companies, banks and building societies, as well as by some trade unions. As with GPPs, employers can make an arrangement with a pension provider and offer their employees a group SHP scheme (GSHP).

There are some differences between SHPs and other types of personal pensions. SHPs have to meet certain standards set by the Government to make sure they offer value for money, flexibility and security:

• the charges are capped;

• there are low minimum payments;

• they are more flexible than many other private pension schemes – you can choose when and how often you pay into the scheme and there are no penalties if you miss a payment; and

• other people, as well as an employer, can pay into a SHP on your behalf. That means that partners or other family members can help you to save for your retirement.

Self Invested Personal Pension Schemes (SIPPs)

SIPPs are a type of personal pension where the person who sets up the pension has control over the management of investments. They decide which assets are bought, sold or leased and when assets are acquired or disposed of.

Retirement Annuity Contracts (RACs)

RACs were pension schemes open to the self-employed and employees who were not members of their employer's occupational pension schemes. These pension arrangements were withdrawn from 1 July 1988 when personal pension schemes were introduced. Although no new RACs can now be set up, some people still have these pension arrangements as individuals who were already contributing to an RAC at that date were permitted to continue to make contributions.

Additional Voluntary Contributions (AVCs) and Free-standing Additional Voluntary Contributions (FSAVCs)

AVCs are employee contributions made by an employee in a salary related occupational scheme. Contributions are paid at a level over and above the normal contributions required by the scheme, and made to obtain additional benefits, usually a higher pension in retirement. FSAVCs are similar, but the employee contributions are paid to a pension provider and are separate from the occupational pension scheme. Benefits paid by the pension provider at retirement come from employee contributions only.

Contracting out

All employees with earnings above an annual Lower Earnings Limit, are automatically included in the additional State Pension scheme – State Second Pension, formerly the State Earnings Related Pension Scheme (SERPS).

Since 1978, members of an occupational pension that meets certain requirements can ‘contract out’ of the additional State Pension scheme. Employers and employees pay lower NI contributions, but the employees do not build up entitlement to the additional state pension.

Since 1988, employees with a personal pension (or since 2001, a SHP) can also opt to ‘contract out‘ if they think it will give them a higher income, or other benefits, when they retire. They pay standard rate NI contributions, but an annual NI rebate is paid into their personal pension or SHP in addition to other contributions. For some personal pensions, the NI rebate is the only contribution – these are often called ‘rebate only’ pensions.

Useful publications

The Pension Service publishes a series of free guides about pensions. You can order them by calling 0845 731 32 33 or by visiting the resource centre of The Pension Service website at www.thepensionservice.gov.uk.

• **A guide to your pension options (PM1)**

• **State pensions – your guide (PM2)**

• **Occupational pensions – your guide (PM3)**

• **Personal pensions – your guide (PM4)**

• **Pensions for the self-employed – your guide (PM5)**

• **Pensions for women – your guide (PM6)**

• **Contracted-out pensions – your guide (PM7)**

• **Stakeholder pensions – your guide (PM8)**

• **State Pensions for parents and carers (PM9)**

• ***How to get extra weekly State pension or a lump sum payment: Your introduction to State Pension Deferral* (SPD2)**

More detailed free guides about pensions are available from the Financial Services Authority. Call the FSA Consumer Helpline on 0845 606 1234, or visit their website at www.fsa.gov.uk/consumer

• **FSA guide to pensions 1 – Starting a pension**

• **FSA guide to pensions 2 – Reviewing your pensions**

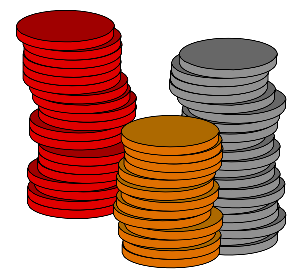
• **FSA guide to pensions 3 – Annuities and income withdrawal**

• **Stakeholder pensions and decision trees**

Family Resources Survey

April 2006

Interviewers’ Pocket Guide To Pensions



Note: this Guide is for interviewer use only. It is not intended to be an authoritative statement on pensions; it is designed to give FRS interviewers a brief description of those pensions for which details are required from respondents to the survey.

The FRS asks adults about all liquid assets, that is, money held in accounts and investments, because these financial holdings can affect people's eligibility for means-tested benefits. There is a huge variety of financial products available. For convenience, the FRS distinguishes three main types:

Accounts	-	Cash holdings for day to day use and for longer term savings
Investments	-	Investments in the financial markets, eg. ISAs, Unit Trusts, stocks and shares
National Savings & Investments (NS&I)	-	Investments issued by the Department of National Savings to finance Government borrowing

After Tax or Before Tax?

Accounts and investments typically pay interest *after tax* ('net of tax'). In such circumstances, the bank, building society, supermarket/ store, investment fund, etc. will deduct the tax due and pay it directly to the Inland Revenue. Sometimes the interest after tax may not be separately identified on a statement/ passbook. Although the gross interest and the tax deducted will be shown, the net interest will not. There is a question on the FRS which covers the different possibilites and asks whether interest recorded is after tax, before tax but tax has been/will be paid, or before tax because the person is a non-taxpayer.

Most National Savings & Investments (formerly National Savings) products pay interest *before tax* ('gross'), ie. without deduction of tax. A few products are *tax-free*, not subject to tax at all: eg. the PEP, ISA, SAYE, and National Savings Certificates. Non-taxpayers, eg. children, students, non-working spouses, and some retired people, can fill in a special form to register their accounts with the Inland Revenue, and thereby receive the interest gross of tax. On other investments or on accounts not registered, non-taxpayers may be able to claim back the tax deducted from the Inland Revenue.

A Note on 'Bonds'

There are at least 3 financial products called 'bonds'. Best-known are **National Savings & Investments** products, such as Income Bonds, Pensioners Guaranteed Income Bonds, Childrens Bonus Bonds. On FRS these are recorded separately from other investments.

Friendly societies, insurance companies, and more recently banks and building societies issue 'bonds', whereby large sums are deposited, long-term, to earn high rates of interest. On FRS these are not counted as investments as they cannot be bought and sold on the financial markets, and so are included with bank/building society, etc. **savings accounts**.

Less common are bonds issued by private companies ('corporate bonds'), foreign governments, local authorities and others in order to raise money. They are counted as **investments** on FRS, along with other holdings of stocks, shares, etc. as investors can usually trade these securities on the financial markets.

A Note on the Child Trust Fund (CTF)

Introduced in April 2005, The CTF is a long term investment and savings account for children born after 1st September 2002. Eligible children receive a voucher which must be paid into one of three different types of account with a bank, building society or stockbroker. A further payment is received when the child turns seven. Additional funds can be added up to a limit of £1200 per annum and interest is credited tax free.

ACCOUNTS: Showcard HHH

Current Account with Bank, Building Society, Supermarket/ Store or other organisation.

Such an account is used for day to day transactions and will have a cheque book and generally offers both the facility to withdraw cash by means of a card and an overdraft. Internet and telephone accounts <u>should be</u> included. Any interest on such accounts will normally be minimal. The majority of respondents will have a current account.

Basic Bank Account/ Post Office Card Account

From April 2003, many benefits and some tax credits became payable by credit transfer directly into bank or building society accounts. These accounts were introduced to allow those who did not have or want a current account to receive money via direct payment. Basic or Starter Bank Accounts are offered at high street banks and building societies, and the Post Office has introduced the Post Office Card Account for this purpose. These should be coded separately at the question 'Accounts' but will then be treated in the same manner as current accounts.

National Savings & Investments Bank/ Post Office Ordinary Account

From 29 January 2004 no new accounts were allowed to be opened. From 31 July 2004 all Ordinary accounts ceased to exist with holders asked to transfer their accounts to the new Easy Access Savings Account.

National Savings & Investments/Post Office Easy Access Savings Account

Card based account which replaced the NS&I/Post Office Ordinary account. Minimum balance £100, maximum holding £2 million (£4 million joint). Interest paid gross.

National Savings & Investments Bank/ Post Office Investment Account

Similar to the old Ordinary account but one month's notice is required for withdrawals. Minimum investment £20. Interest is credited to the account annually, on 31 Dec, gross of tax.

Tax Exempt Special Savings Account (TESSA)

These accounts ceased to exist from 5 April 2004. From 5 April 1999, the capital from a maturing TESSA could be transferred into a TESSA-ISA (or TOISA). <u>Although TESSAs can no longer be held, TOISAs still exist and must be counted as an ISA (see below).</u>

Individual Savings Account (ISA)

Introduced to replace PEPs and TESSAs, ISAs are tax-shelters in which the income is tax-free. Up until 5 April 2005 there were 3 components – cash, securities (stocks and shares, unit trusts, etc) and life insurance. Following this date the life insurance ISA merged with the stocks and shares leaving two components. These components can be held singly (known as 'mini ISAs'), or collectively (known as 'maxi ISAs'). Each year savers can either subscribe to one 'maxi' ISA, or up to to two 'mini ISAs', one for each component. Savers can subscribe up to £7000 in each tax year until 5 April 2006, and £5000 in subsequent years. Of this, no more than £3000 may go into cash for both Mini and Maxi ISAs and no more than £4,000 into stocks and shares for Mini ISAs.

TESSA-ISAs (TOISA) were allowed to be opened with the capital from a maturing TESSA on an annual basis and did not affect entitlements to other ISAs. As TOISAs can no longer be set up with the withdrawal of TESSAs they should be counted as ISAs. The securities component similarly should be counted as an ISA, not recorded at the question on stock market investments.

Savings or investment account/ bond with Building Society, High Street Bank, Supermarket/ Store or other organisation

Savings (or 'deposit') accounts/bonds and investment account/bonds are not normally used for day to day transactions, and typical features are a minimum deposit and a period of notice for withdrawals. Interest can be paid yearly, half-yearly, quarterly, or monthly, and will be relative to the amount of money in the account and current interest rates.

Credit Unions

Similar to mainstream Building Societies, members can deposit as much or as little money as they like as often as they wish to. Loans can also be taken out. Dividends are usually paid out annually, typically around 2-3%, but they can be higher (the maximum legal limit is 8%)

INVESTMENTS: Showcard III

Government Gilt-Edged Stock (incl War Loan)

'Gilts' raise money for the UK Government by offering a secure ('gilt-edged') investment, usually over a fixed period and with a fixed rate of interest, although some are index-linked. Gilts can be bought and sold. At the end of the fixed term the holder is repaid the original purchase price. Interest is paid half-yearly, before tax if bought from the National Savings Stock Register. The *value* of the gilt is its current market price.

For the FRS it is important to get the name of the gilt (eg. 'Treasury 7.25%') the year in which it will be repaid, (called the redemption date) and the period plan. Gilts can be 'shorts' (up to 5 years to redemption date), 'mediums' (5 to 15 years) 'longs' (over 15 years) or undated (no fixed redemption date). The certificates will give this information. <u>Note: Gilts held in a PEP should be coded as a **PEP.**</u>

Unit Trusts

Collective funds which allow private investors to pool their money in a single fund, thus spreading their risk, getting the benefit of professional fund management and reducing their dealing costs. Investors buy 'units' of a fund that invests in shares, stocks, gilts, etc. Interest (the 'dividend') is paid net of tax, usually half yearly, but some schemes pay a monthly income or reinvest the interest. Investment decisions are made by professional fund managers appointed by the trustees. These managers make annual charges. There are many types of scheme. The value of the units is the amount of money they would raise if they were sold (the 'bid' price). Please enter the full name of the company and the investment. <u>Note: a Unit Trust holding via a PEP should be coded as a **PEP.**</u>

<u>ICVC / OEIC</u>

Investment Companies with Variable Capital (ICVC) and Open Ended Investment Companies (OEIC) should be coded as Unit Trusts/ Investment Trusts. ICVC's are a replacement of OEIC and there is little difference between the existing unit trusts and the new ICVC's apart from the structure of the fund and the fact that ICVC's have a single price rather than a bid offer spread

Investment Trusts

Pooled schemes are similar to Unit Trusts, giving their investors exposure to markets that they may not be able to reach themselves. The difference is that the Trust is a company, and investors hold shares in that company, rather than directly in its various investments. For FRS purposes, the value of a shareholding is its current market price. <u>Note: if held in a PEP, then code under **PEP.**</u>

Stocks, Shares, Bonds, Debentures, other securities

Types of investment usually bought and sold on the financial markets. A **share** is a single unit of ownership in a company. The units are of equal value, hence 'equities'. (Please record whether the shares are 'ordinary' shares or 'preferential' shares to enable the value to be determined). **'Stocks'** is the general term for various types of security issued by companies to attract investment in the form of loans. **Bonds** and **debentures** are two such types of stock; others include unsecured loan stock and convertible loan stock. (Bonds issued by foreign governments and local authorities should also be recorded here.) (Continued overleaf.)

Unlike shares, whose dividend earnings may fluctuate, stocks give a fixed-interest return. They are issued for a set period, during which time they can be traded by investors; at the end of the period they are redeemed at the original price. Dividends on shares and interest on bonds and other loans is typically paid half-yearly, net of tax. The value of these holdings is their current price on the financial markets. <u>Note: if held in a PEP, then code under</u> **<u>PEP</u>**<u>.</u> [Note: A few investors may hold stocks and shares that cannot be publicly traded, eg. in 'private' companies not listed on the Stock Exchange. If so, at the Assets questions enter the price of the investment and the date of purchase.]

PEP (Personal Equity Plan)
Since 6 April 1999 no new investments have been allowed to be placed into PEPs following the introduction of ISAs. A PEP is a tax-sheltered, managed investment in the financial markets of a lump sum or regular savings. The maximum investment amounts are £6000 for a general PEP and £3000 for a single company PEP per tax year. As there was no time limit imposed on length of investment, existing PEP holders are free to encash their PEP anytime. It is not permissible to transfer PEP holdings into an ISA. PEPs can include holdings in Unit Trusts, Investment Trusts, bonds, and gilts. Any dividend earnings and growth in value are free of tax.

Miscellaneous
The Moneyspinner Account is a with-profit savings plan available to the police through Police Mutual. Other Police Mutual products include the Gold and Silver accounts and the Platinum Bond.

NATIONAL SAVINGS & INVESTMENTS (NS&I): Showcard JJJ

Capital Bonds (NS&I)
Minimum purchase £100, maximum holding £1 million. Interest is fixed for 5 years, and is credited annually, gross (before tax), but is taxable. For the FRS it is important to obtain the series number.

Savings Certificates (NS&I)
Two types of investment for lump sum savings: Fixed Interest and Index-linked certificates (where the value is linked to changes in the Retail Prices Index). Minimum investment £100, maximum investment £15,000. Investment terms - Fixed 2-5 years, Index-linked 3-5 years. The interest on both investments is tax-free.

Pensioners Guaranteed Income Bond (NS&I)
Available only to people over 60 years. It pays out monthly interest before tax at a fixed rate for either 1, 2 or 5 years. The interest is taxable. Minimum investment £500. Money can be withdrawn early, but there is a 60 or 90 day interest penalty.

Save-As-You-Earn (NS&I/Bank/Building Society)
A government scheme which allows tax concessions to persons making regular savings from their salaries into certain building society, bank and National Savings & Investments accounts. Although National Savings SAYEs were abolished in November 1994, previous schemes remain valid. Bank and building society schemes still exist. Under some of these schemes people can save money to purchase share options tax-free, provided it has been approved by the IR. Under these schemes you pay a fixed monthly amount

Premium Bonds (NS&I)
These don't earn interest, but are entered in a monthly draw for tax-free money prizes.

Income Bonds (NS&I)
Minimum purchase £500, maximum £1,000,000, sole or joint. Interest is paid monthly, before tax (but taxable), into a bank/building society or similar account. <u>On the FRS, please be sure to differentiate clearly between National Savings Income Bonds and National Savings Deposit Bonds.</u>

Deposit Bonds (NS&I)
These were withdrawn from sale in 1988 and the remaining bonds were redeemed in 2002.

Fixed Rate Savings Bonds/FIRST Option Bonds (NS&I)
FIRST Option Bonds were replaced with Fixed Rate Savings Bonds in 1999. People who held FIRST Option Bonds from before October 1999 can keep them and receive interest at the rate for a one year Fixed Rate Savings Bond. Fixed Rate Savings Bonds can be purchased with the interest guaranteed for 1, 3 or 5 years. Interest can be credited annually or monthly and is paid into a bank or building society account or added to the value of the bond. The minimum holding is £500 and the maximum holding is £1,000,000. For FRS purposes it is important to obtain the month and year of purchase, the issue, the value, the length of period (1,3,5 years) and whether or not interest is paid monthly or accrued to the bond.

Yearly Plan (NS&I)
Yearly plan certificates can still be held, though new applications stopped in January 1995. Under the scheme monthly standing order payments of £20 were made (to a max. of £400); after 12 months a Yearly Plan certificate was issued. The certificates earn tax free interest, paid monthly, and reach maturity value after 4 years. After the 4th year interest is paid 3-monthly at a lower rate.

Except for Child Trust Funds, children are not asked about individual accounts held or the income from them, just whether they have any savings. They are also asked to give the total amount held (banded) and this will include all types of savings mentioned above, plus Children's Bonus Bonds and Child Trust Funds.

Children's Bonus Bonds (NS&I)
(Nicknamed Baby Bonds) are long term tax free investments for children, with interest rates guaranteed for 5 years at a time and a special bonus on every fifth anniversary of purchase. Anyone over 16 can buy bonds for anyone under 16. Any sum from £25 to £3,000 can be invested per child in the current issue. The bond will accrue low interest in the early years, but sustain a large 'bonus' in the five year anniversary of purchase or whenever the child reaches 21 years.

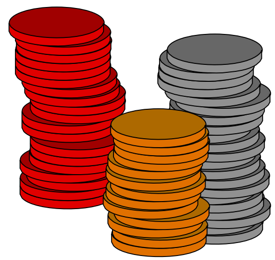
Guaranteed Equity Bonds (NS&I)
A 5 year investment giving a return linked to the performance of the FTSE. If the FTSE increases in value the investment will increase up to a specified maximum percentage. If it loses value, the investor will get their original sum back, so it offers potential for stock market growth with no risk to capital. Minimum investment is £2,000 and the maximum is £1,000,000.

Endowments not linked to property
Endowments originally taken out to pay for a property can be held solely as an investment (rather than with the intention of paying back a loan on a property). A decline in their value has meant that for many they are not worth enough to pay back a loan on a property.

Family Resources Survey

April 2006

Interviewers' Pocket Guide to Savings & Investments



Note: this Guide is for interviewer use only. It is <u>not</u> intended to be an authoritative statement on savings and investments; it is designed to give FRS interviewers a basic picture of savings and investments for which details are required from respondents to the survey.

All-in-one-Accounts

This is one of the most popular types of flexible mortgage
There are 2 types of All-In-One accounts;

1) Current Account Mortgages

EG The One Account (RBOS)
Natwest One

Allows all finances to be kept under 'one roof'. Rather than having a separate mortgage, and current account, both are kept together and the funds in the current account are used to offset the interest of the mortgage balance. So for example

A borrower may have a mortgage balance of £60,000 and £2,000 in the current account (salary is likely to get paid into this account) and so the borrower is charged mortgage interest on £58,000. It's akin to having a huge 'overdraft' that slowly over time gets paid off.

As well as combining the current account with the mortgage, it is also possible to combine savings, credit cards and loans resulting in one overall account with one outstanding balance

2) Offset Mortgages

EG Woolwich/Barclays Openplan
HSBC Smart mortgage
Halifax Intelligent Finance
Northern Rock Connections

/Cont…overleaf

Similar to the Current account mortgage in flexibility.
Again the mortgage interest is calculated based on the overall outstanding balance made up from debits and/or credits acquired from mortgage, loans, current account, savings and credit cards. So it incorporates many of the benefits seen in the all in one accounts. The difference is that although the mortgage is linked to current account/other savings, separate accounts are still kept, rather than having one account overall balance.
Money still can be easily transferred between the different parts of the offset mortgage.

Islamic Mortgages

Islamic mortgages allow Muslims obeying Sharia Law to own property. Under Sharia Law, both paying for and receiving interest is forbidden. With these types of mortgages, a property is purchased on behalf of the client, and is leased back to them over a fixed term.

Buy-to-let Mortgages

Buy-to-let mortgages are for those properties purchased for investment. Mortgage lenders in the Buy-to Let scheme will take account of rental income likely to be achieved from a property.

Do not include these in questions about Mortgages. The FRS is only interested in mortgages where the respondent is actually resident in the property.

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