INTRODUCTION

Freedom. You might spend all your time dreaming about it. Space to do your own thing, play your own music at full volume and invite your friends round whenever you want.

But to get there you need to think about how you’ll pay the rent, food, travel, TV licence, going out... And if you don’t know your ISAs from your interest rates, it can make life a little tricky.

Whether you’re just saving to buy a games console or dreaming of one day owning your own place, we all need to know how to best manage our money.

Five ways to pay

1. **Cash card:** A plastic card that allows you to take out money from your account when you insert it into a cash withdrawal machine and key in your four-digit Personal Identification Number (PIN).

2. **Debit card:** Like a cash card where you can take out money from your account using a cash withdrawal machine, but it also allows you to pay for goods in shops using chip and PIN. The card has a ‘smart’ chip that holds your PIN. When you pay in a shop, you’ll be asked to enter your PIN using a keypad. Some newer ‘contactless’ cards allow you to pay for small transactions just by swiping your card.

3. **Credit card:** A plastic card which allows you to buy things immediately and pay for them later. You have an agreed limit on the amount you can borrow, and if you don’t pay the total in full by the due date you will be charged interest on the outstanding balance. You need to be over 18 and meet certain conditions to get a credit card.

4. **Direct debit:** An instruction from you to your bank or building society to allow someone to take money from your account.

5. **Cheque:** A written order which instructs your bank to pay a specific amount of money from your account to another person or organisation.

BADGES

This will help towards:

- Creative Challenge
- Promise Challenge
- Administrator Activity Badge

We’ve worked with NatWest MoneySense to help us create this pack. If you want some more information on it, please go to: www.natwest.com/monesenseforschools
ACTIVITIES FOR YOU TO TRY: OPEN AN ACCOUNT

A bank account will keep your money safe so no one but you can get at it. It can also make it grow.

Open an account and the bank may pay you for saving with them. Interest is still added to most accounts for young people but check with your bank first. Interest is money paid to you by the bank depending on how much you save with them.

You’ll need an account when you get a job so your employer can pay you, and to pay rent or for bills like your mobile phone.

If you decide to open a bank account, you will be asked to fill in an application form. This activity will give you an idea of the sort of questions you may be asked.

HOW TO DO THE ACTIVITY

Your Scout Leader will ask you to fill in the application form in the next page for an imaginary account. It’s just for practice. It won’t actually open the account for you! Once you’ve finished this exercise and your leader has checked it, make sure you destroy the information you’ve written. You wouldn’t want it to fall into the wrong hands.

I don’t like spending money a lot at all, but when I do spend my money, it’s usually on going out, buying food, whatever.

Poppy, 12, Chichester
# YSave Current Account application form

Please complete this form in BLOCK CAPITALS and in black ink.

I would like to open an account at your branch.
(If left blank your account will be opened at the branch nearest to your home address)

## 1. Customer details

<table>
<thead>
<tr>
<th>TITLE:</th>
<th>Mr</th>
<th>Mrs</th>
<th>Miss</th>
<th>Ms</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>First name</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle name(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postcode</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nationality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of residence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of birth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorable word</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 2. Parent / Guardian details – only complete if you are 15 or under

<table>
<thead>
<tr>
<th>TITLE:</th>
<th>Mr</th>
<th>Mrs</th>
<th>Miss</th>
<th>Ms</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>First name</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle name(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postcode</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 3. Declaration and signature

1. I have read and accept the Terms and Conditions of the YSave Current Account which I have applied for. I declare the information above is true and accurate.

2. I understand that until I reach the age of 16 years, you may discuss with and disclose details of this YSave Current Account with my parents or guardians.

Date | | | | | | | | | | | | | | | | | | | | | | | | | Applicant’s Signature

---

**Your Bank**

**Application form**
ACTIVITY: WHAT'S MY JOB?

This activity will get you thinking about what your dream job might be and how the pay cheque for it might look.

When you get your pay slip through, not all of the money will go straight into your bank account. Some of it will be taken off to pay for your taxes and National Insurance. The more you earn, the more you pay. Your leader will discuss all this with you.

HOW TO DO THE ACTIVITY
1. Your Scout Leader will split the Troop into three teams.
2. Each player in each team takes turns to come forward and act out their dream job without talking. The other team has to guess what they are miming. Your leader will nominate someone to keep track of which team guesses the most and what the jobs were.
3. Once everyone has had a go, each Scout must write out a payslip for the jobs they can remember their team guessing including: How much they think someone would earn in that job, what National Insurance and what tax they would have to pay.

Then you will each compare with payslips with someone from another team and see if their estimates are similar. Discuss why you think they are or are not?

PAUL THE PLUMBER

While he’s training as a plumber, Paul earns a salary of £10,233.60 per year.

His salary includes 20 days paid holiday a year.

He works 40 hours a week (including paid lunch breaks) at the national minimum wage (£4.92 per hour for someone his age).

Paul has been training as a plumber for five months and is enjoying receiving his monthly payslips.

He has just received his latest payslip. It contains lots of confusing information and he’s trying to understand how his pay and tax has been worked out.

Look at Paul’s payslip and answer the questions to help him work out what the different sections mean.

Can you answer these five questions about Paul’s payslip?

1. What is Paul’s National Insurance Number?
   - A
   - AB000000A
   - 041265310

2. What is Paul’s net pay?
   - £10,233.60
   - £818.80
   - £753.71

3. Paul decides that he wants to earn some extra money. He’s been offered five hours per day of overtime on three Saturdays in June for time and a half pay. How much extra will he be paid, before tax, in his June payslip?
   - £90.25
   - £110.70
   - £73.80

This activity will get you thinking about what your dream job might be and how the pay cheque for it might look.
ACTIVITY: WHAT'S MY JOB?

4. How much has been deducted altogether from Paul’s wages in June for tax and National Insurance contributions?

- £97.09
- £188.98
- £771.33

5. When does the tax year begin?

- March
- May
- April

THREE THINGS TO KNOW BEFORE YOU START WORK

1. National Insurance Number: Your National Insurance Number will be sent to you when you are 16 because that's when you're legally allowed to work full-time. National Insurance is a tax paid by most employers, employees, self-employed (and some unemployed) people. Money is taken from your wages and paid to the government in return for services like the pensions and benefits.

2. Income Tax: This is tax on the money you earn. It is based on the principle that the more you earn, the more tax you pay. Each year you can earn a certain amount of money tax-free. This is your free personal allowance.

3. PAYE: The Pay As You Earn (PAYE) system is a method of paying Income Tax and National Insurance contributions. It’s when your employer deducts tax and National Insurance contributions from your wages before paying them to you.

Quiz answers
How did you do?

1. £97.09
2. £10,233.60
3. £110.70
4. £97.09
5. April

Find out more

Visit an online version of Paul's payslip to find out what all the different sections on it mean at: natwest.com/moneysensepayslip
ACTIVITY: DEGREES OF DEBT

This activity will help you think about what is good and bad debt.

Debt is an amount of money that you owe to a person or company.

A debt can become unmanageable if someone’s situation changes. For example, when you take out a loan, a change in the economy, like higher interest rates if you have a house, could make a big difference to your repayments.

HOW TO DO THE ACTIVITY
1. Your Scout Leader will give you copies of the Degrees of Debt student cards and ask you to cut them out.
2. Sort the cards into two piles. The first should be cards describing people you think have a serious debt problem and the second those who are more in control.
3. Arrange the cards in the serious problem pile in order of seriousness. Then for each situation, write down your ideas for the following:
   • How did the situation arise?
   • Is the debt manageable or has it become unmanageable?
   • What should the person do next?
   • When your leader asks, share your responses with the Troop.
   • Next, with a partner, list all the reasons you think people may get into debt they cannot manage. The information on the cards will help you come up with some ideas.
   • When your leader asks, share your ideas with the Troop. What do you think manageable debt might be and what is bad debt?

Find out more
Understand more about debt online at natwest.com/monesensedebt