The RCN Money Guide
For HCAs, HCSWs, APs and TNAs
Introduction

For a lot of people, wage increases are not keeping pace with rises in the cost of living, so we are having to make our money go further. In order to stay on top of your finances, it has never been more important to get a clear picture of your financial wellbeing.

Working though this guide will help ensure you are receiving all the money available to you through extra benefits and Government schemes.

By answering a few simple questions to focus on your current attitude to your finances, you’ll learn some really practical ways of increasing your spending power and useful budgeting tips.

By regularly making time to review your financial situation, you can better plan for those important life events such as having a baby, moving home or starting a new job.

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Changing the way you shop could help change someone’s life.
Health Check

Answer the following questions:

How would you describe your attitude towards managing your money?
A. I feel overwhelmed and don’t really know where to start.
B. I know there are things I should do, but I keep putting them off.
C. I think things are okay, but that is more through luck than planning.
D. I keep on top of my money matters, but am happy to find out more.

How far does your money stretch?
A. It’s a worry. I have money problems and my debts feel unmanageable.
B. It’s difficult. I’m struggling to make ends meet.
C. It’s okay. I can mostly afford what I need but there’s nothing left over.
D. It’s fine. I can afford everything I need and can save too.

Are you saving regularly at the moment?
A. No, it’s definitely not a priority right now.
B. No, but I think I should start soon.
C. Yes, but it probably isn’t enough.
D. Yes, I save a good percentage of my salary every month.

How much do you rely on borrowing (overdrafts, loans, credit or store cards)?
A. It’s essential. I couldn’t manage day to day without borrowing money.
B. It’s all planned. I have some borrowing, but mainly for big things I can’t afford like my car.
C. No problems, I pay off my cards in full each month.
D. I don’t borrow money except for my mortgage.

Do you have some money set aside that you could use if something unexpected came up that wasn’t covered by insurance?
A. No, and I’m not sure if I could borrow any money.
B. No, I would have to borrow the money.
C. I’m not sure. I do have some savings, but it isn’t a lot.
D. I have money put aside for a ‘rainy day’ and could get to it easily.
Responses

If you answered mostly Bs or Cs to the previous questions and are ready to make some changes to your financial health, you would benefit from getting a financial overview of your family’s spending patterns.

You need to get a complete picture of your spending – from the big household bills right down to your cup of coffee in the morning.

Following the steps throughout this document will ensure you are getting all the money you are entitled to and not spending unnecessarily.

If you answered mostly As and things still seem unmanageable when you have reviewed your finances, then you may also wish to consider speaking to the RCN’s specialist debt advisers about your situation (available to RCN members only). They can explore other options with you to help you manage your debts.

If you answered mostly Ds then you are doing really well. However, you may wish to consider if you are getting the most from your money by speaking to Lighthouse Financial Advice. You can also explore other money-saving tips and sources of income by reading on through the guide.
The First Steps

While most of us will have left school with a reasonable grounding in English and maths, we will often have been given no education at all in personal finance.

This important area has long been neglected, and with personal finance becoming more complex, it is never too late to become 'money wise'.

Budgeting

The starting point for budgeting is to work out what you have got coming in. This might seem like stating the obvious, but when was the last time you sat down and spent 30 minutes looking at your personal budget?

There is little point in doing this only once a year – it needs to be regularly reviewed to take account of changes in your lifestyle and larger one-off outgoings.

If you start the month by looking at your income and expected outgoings then there are less likely to be any surprises towards the end of month. You will be better able to see where there may be shortfalls and plan accordingly.

There are some great budgeting tools which can be reviewed on a regular basis, and they are comprehensive enough to take into account irregular spending, such as car servicing and house maintenance.

Try using the budgets on the Money Saving Expert website, and choose one that best fits you and your family's circumstances.

Money Saving Expert

Or for a bit of fun, try the Demotivator tool on the same website.

Demotivator

This really highlights the dent those occasional coffees, chocolate bars and magazines make in your spending.

For example, it may make you think more seriously about buying a daily £2.50 coffee and 80p bottled water when you consider that just one coffee and a bottle of water every week day will cost you about £860 a year.

Once you have done a comprehensive budget, check your bank balance regularly. The easiest way to do this is with online banking or by using text alerts.
Maximising your Income

There are plenty of ways to reduce your outgoings and increase your spendable income. Everyone will choose their own way of budgeting and set their own priorities, and no two people will be the same.

However, there are certain steps that everyone should take to ensure they are getting everything they are entitled to and not paying out too much for goods and services.

**WORK AND BENEFITS**

You may well be entitled to extra income through in-work benefits and other schemes. The Government currently estimates that up to a million people are eligible for, but don’t claim, Tax Credits and other benefits. One of them could be you.

Check the Turn2Us website to see if there may be additional money that you are not currently claiming.

- Turn2Us

Or use the Turn2Us calculator to get a personal overview of any other benefits you might be missing out on.

- Calculator

**Working optimum hours**

There are several in-work benefits that are only paid to you if you are working a certain number of hours. Check whether you could receive additional income by increasing your working time by just a few hours a week. You may find that by increasing your part-time hours you can access additional financial help with registered childcare too.

Use the Turn2Us calculator (see the link on the bottom left) to work out if you would be better off working some extra hours.

Everyone’s situation is different. Remember to factor in any potential extra costs associated with doing extra hours, such as travel costs, into any better-off calculations you do.

**Council tax reduction**

If you are living alone or are the only adult in your house liable to pay council tax, then you may be entitled to a 25% discount on your council tax bill. Apply through your local authority council tax office.
Maximising your Income

HELP WITH CHILDCARE

If you are paying for registered childcare, then there are several options that may be available to you for help towards paying the fees. Make sure you look at all your options before deciding on a particular scheme. Depending on your circumstances one may provide more financial support than another, and in some cases you will only be able to opt for one scheme.

Support for families with children aged two

Families in England can apply if they are working and receiving Tax Credits and have an annual income under £16,190 before tax. You can also apply if you are claiming Universal Credit and you and your partner have a combined income from work of less than £15,000 a year after tax. If eligible, you are entitled to 570 hours of free childcare a year, to use flexibly.

You’ll also be eligible if the following apply to your child:

• they have a current statement of special education needs (SEN) or an education, health and care (EHC) plan
• they receive a Disability Living Allowance.

This scheme is available at participating nurseries and nursery classes, playgroups and pre-school, childminders and Sure Start Children’s Centres. It is available from 1 January, 1 April or 1 September following your child’s second birthday.

Support for families with children aged three and four

All families in England can obtain 15 hours of free childcare or early education a week.

You’re entitled to 570 hours of free childcare a year, to use flexibly.

The scheme is available at participating nurseries and nursery classes, playgroups and pre-school, childminders and Sure Start Children’s Centres.

It is available from 1 January, 1 April or 1 September following your child’s third birthday.

These schemes apply to families in England. Similar schemes run in Scotland, Wales and Northern Ireland. For details, click on the relevant links below:

- England
- Scotland
- Northern Ireland
- Wales

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Maximising your Income

Additional hours for working families with children aged three and four
This scheme entitles working families in England with children aged three and four to an extra 570 hours of free childcare a year to use flexibly, so 1,140 hours in total. It is available at participating childcare settings such as nurseries, childminders and Sure Start Children’s Centres.

You and any partner must each expect to earn (on average) at least £125.28 a week (equal to 16 hours at the National Minimum or Living Wage). If you or your partner are on maternity, paternity or adoption leave, or you’re unable to work because you are disabled or have caring responsibilities, you could still be eligible. You may also still be eligible if you’re earning less than £120 a week but are under 25, or on an apprentice scheme.

Similar schemes run in Northern Ireland, Scotland and Wales.

Explore help with childcare costs

Tax-free childcare for families with children aged 0-11 (UK wide)
If you’re a working parent with children under 12 (or under 17 for disabled children), you can open an online account to pay for registered childcare. The Government will top up the money you pay into the account. For every £8 you pay in, the Government will add an extra £2. You can receive up to £2,000 per child, or £4,000 if your child is disabled.

You and any partner must each expect to earn (on average) at least £125.28 per week (equal to 16 hours at the National Minimum or Living Wage). If you or your partner are on maternity, paternity or adoption leave, or you’re unable to work because you are disabled or have caring responsibilities, you could still be eligible.

You can’t use tax-free childcare at the same time as childcare vouchers, Universal Credit or Tax Credits. You can use it with the 15-hour and 30-hour schemes.

Explore tax-free childcare

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Maximising your Income

Working Tax Credit for childcare
If you are entitled to Working Tax Credit, and you and any partner are each working at least 16 hours a week, you can claim back up to 70% of your eligible childcare costs for children under 16 (or under 17 for disabled children). Depending on your income, you could get up to £122.50 a week for one child or £210 for two or more.

How to claim Tax Credits
Universal Credit is being phased in over the next few years. It will replace a number of existing benefits, including Tax Credits. If you are already receiving Tax Credits, you don’t need to do anything now. If you are making a claim for the first time and live in a Universal Credit area, then you can find more details here:

UK
NI

You can’t claim Universal Credit, Tax Credits, or tax-free childcare at the same time.
Maximising your Income

RENT A ROOM SCHEME

Earn up to £7,500 tax-free by taking a lodger

If you’ve got a spare room and need to regularly top up your income, taking in a lodger can be a good way to earn extra money. From 6 April 2016, the amount you could earn tax-free by letting a spare room via the Government’s Rent a Room scheme was increased to £7,500 a year.

The scheme applies when you rent out a furnished room in your home to a lodger or take short-term guests such as language students. It works whether you live in England, Northern Ireland, Scotland or Wales.

If you’re renting out your spare room, you currently have two options to reduce tax, although you can only use one of them, not both.

- If your income is below the £7,500 threshold, you don’t need to do anything, as the tax exemption is automatic.

- If it’s higher, you need to complete a tax return – you then opt into the scheme and pay tax on the remaining amount.

For more on the scheme, see the link on the right.

Finding a lodger

If you want to let a room on a longer-term basis, try SpareRoom and the room-to-rent section of your local Gumtree site. Both are free to list on, although there are optional upgrades such as promoted adverts. Alternatively, try your staff noticeboard at work.

Another option is MondaytoFriday, a site geared towards part-time renters looking for weekday-only places, so you get your space back at weekends.

If you are new to renting out your room, make sure you are clear with your tenant about what is expected by both parties. For example, establish whether they can have guests and when they can use the bathroom.

Draw up an agreement and make sure both parties sign it. Both Gumtree and SpareRoom provide online advice and tips on how to make renting a room work well for both you and your lodger.
Maximising your Income

REDUCTING YOUR SPENDING
There is no doubt that for many, making income meet outgoings is getting increasingly difficult.

With well-publicised above-inflation increases in basics such as rent and utilities, it is even more important to make savings where you can.

Thousands of us are still paying too much for our goods and services. The good news is that there are some great deals to be had. The RCNXtra scheme (available to RCN members) can help with money-saving ideas.

Top up your trolley

Recoup the cost of your membership
Take advantage of great deals on everything from cinema tickets to furniture. You could recoup the cost of your RCN membership using a Tesco reloadable shopping card for your monthly grocery shop*. RCNXtra is already part of your RCN membership so activate your account and start saving today!

RCNXtra scheme

*Receive a 4% discount each time top up your card. You could save £100 over ten months if you top up £250/month.
Further Support for RCN Members

The information in this guide should go a long way to helping you manage and plan your finances.

Feeling concerned about your ability to manage your finances can be really uncomfortable, so if you are still feeling unsure or troubled by your financial situation, do seek specialist advice.

The RCN provides FCA-regulated debt advice for its members and you can get free, confidential advice to discuss the options that may be available to you.

Call RCND on 0345 772 6100 to access support.