How do I... plan for the future?

No one knows what's around the corner, so don't put off taking steps to give your child financial security

You want to protect your child. That's why you use a car seat, strap him into his buggy and lock up the medicine cabinet. But as you go about the day-to-day business of parenting, you may not think about some of the really important steps you can take now to protect him in the future. Read on for advice on making a will, building up savings and taking out insurance.

Make a will

Writing a will is the best way to make sure that when you die, your money, property and possessions go to the people you want. Sarah Phillips is a partner in law firm Thomas Eggar, a specialist in wills. She says, "Wills are even more important for unmarried couples with children. If there's no will and one partner dies, the survivor has no automatic right to anything."

You'll need to appoint an executor to sort out your estate and carry out your wishes after your death. Sarah says, "This is an administrative, financial role. Choose someone you trust, who's responsible and competent."

You'll also need to appoint a guardian for your child in the event that both parents die. "Talk it through with your chosen guardian first," says Sarah. "It's not a legal requirement, but it is practical. It's also useful to have any parental wishes noted in the will. These aren't legally binding, but give the guardian a steer."

She adds, "Guardians aren't legally obliged to look after a child from their own resources. Assuming there's a will that leaves some inheritance to the child, the guardians can ask the executors if they'll pay for anything that's for the child's benefit."

Consider when you'd like your child to receive any remaining inheritance. If you don't put in an age, they'll inherit at 18

– but you may prefer them to be older. "If you say 25, the money can still be used for the child before then," explains Sarah. "Between 18 and 25 the child can go to the executors and ask for money, say for university expenses. The executors can refuse if they think it isn't suitable."

You can write a will yourself, using a DIY will kit, but try to get legal advice, for example, from Citizens Advice (citizensadvice.org.uk). Sarah says, "The danger in doing it yourself is that the will doesn't follow procedure or doesn't cover off everything. See a solicitor if your situation is complicated."

Get more information at gov.uk/make-will

Start saving

If you're planning to save for your child, start early. Chartered financial planner Hayley North (roseandnorth.com) says, "It doesn't have to be a lot of money, it all helps. It's best to get into the habit of doing it on a monthly basis."

These are the main options:

Junior ISA

There are two types of these long-term, tax-efficient Individual Savings Accounts: a Junior Cash ISA (where the cash is saved) and a Junior Stocks and Shares ISA (where the cash is invested). Your child can have one or both types. He'll be able to withdraw money at 18.

There's a limit to how much can be paid in during each tax year – in the 2015-16 tax year, this was £4,080 (in total, not for each type of Junior ISA). A Junior Cash ISA is tax-free for you and your child. A Junior Stocks and Shares ISA isn't tax-free, but is tax-efficient. Hayley says, "I'd recommend a Junior Stocks and Shares ISA to people who have a long time-frame – 18 years is definitely long – as you have the potential for a much higher return. The downside is that it's riskier than cash; you might not get the money you've invested back. But it's unlikely over that length of time."

Compare interest rates on Junior Cash ISAs before deciding on an account. Also, check charges on Junior Stocks and Shares ISAs.

A children's savings account in a bank or building society

Some children's savings accounts have higher interest rates than Junior Cash ISAs.

There's usually no tax to pay on children's savings accounts unless your child gets more than £100 in interest in any tax year from money given by one parent; or unless your child earns an income over their personal tax allowance of £10,600.

Banks automatically deduct tax from the interest, but you can ask them not to by filling in form R85. Ask your bank or building society for a form.

You can compare savings accounts on sites such as moneysavingexpert.com moneysupermarket.com or which.co.uk

NS&I Children's Bonds

These are tax-free for parent and child and can be held in addition to Junior ISAs. Parents (or grandparents) can invest from £25 to £3,000. The interest rate is fixed for five years, but you can't take out money during that time without paying a penalty.

For more information, visit nsandi.com

Get covered

Now you're a parent it's sensible to think about insurance – making sure your debts and income are covered – in case of unemployment, illness or death.

There are various types of cover, including:

Income protection Provides a regular income, if you're unable to work due to accident, illness or unemployment.

Critical illness insurance Pays out a lump sum if the insured person is diagnosed with one of the serious illnesses listed on the policy.

Life insurance Pays out a lump sum if the insured person dies, to help pay off mortgage, debts, etc. Sometimes policies are combined, eg, life insurance may be combined with critical illness insurance.

Charlie Campbell is a protection policy adviser at the Association of British Insurers. He says, "When you have a child, you need to think about what might happen to him if the worst happens.

"If you're a new parent your income is more important than ever before. People assume that if something happened to them the State would look after their children. But it depends on your circumstances. The best thing is to talk to an adviser who will help you identify what you'd get from the State if something happened to you, and whether you need to think about topping up through income protection. Identify the absolute essentials that you'd need money to pay for if something happened to you, as well as what products might be suitable and what you can afford." He adds, "If there's a need for cover, it's always better to have something rather than nothing."

Be aware that some employers provide cover such as life insurance or income protection, so work out what you're getting already before buying anything.

For more information on financial affairs, visit moneyadviceservice.org.uk

"Our wills set out our parental wishes"

"My partner Toni and I had 'mirror wills' drawn up by a solicitor – it cost about £150 for both. We felt it was important as we're not married, so wouldn't automatically inherit each other's property. It also made us decide who'd look after our daughter, Nara, if we both died. We also wanted to set out our parental wishes in the event of our death. As Toni's German, we wanted Nara to keep up her languages and maintain contact with her German grandparents, and we nominated a German friend to make sure this would happen.

When Nara was 3 months old we opened a children's savings account – we chose it because it had the best interest rate at the time. We already had life insurance."

Sally Hall, 41, from Leeds, is mum to Nara, 1

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