

Flexible Trust

Settlor as trustee with optional survivorship clause

This declaration of trust is made on _____ / _____ / _____ (DD/MM/YYYY)

Between 1:

Full name of first plan owner _____

of address of first plan owner _____

Postcode

and Full name of second plan owner _____

of address of second plan owner _____

Postcode

Together called the '**settlor**'

and 2 (if appointed)

Full name of first additional trustee _____

of address of first additional trustee _____

Postcode

and Full name of second additional trustee _____

of address of second additional trustee _____

Postcode

and Full name of third additional trustee _____

of address of third additional trustee _____

Postcode

and Full name of fourth additional trustee _____

of address of fourth additional trustee _____

Postcode

Together called the '**additional trustees**'



Background

The settlor owns the plans listed in schedule III. The settlor declares that these plans will be held in trust for the benefit of the persons listed in schedules I and II in the way set out in this deed.

This deed witnesses:

- 1 In this deed the word 'trustees' means the settlor and additional trustees (or any future trustees if there are changes). The word 'trustee' means any one of them.
- 2 The settlor declares that the plans listed in schedule III will be held in trust. The settlor transfers these plans and any money payable from them to the trustees to hold in trust in the way set out in this deed.

Please tick here if you want the survivorship clause detailed in [3] and [4] to apply to this trust .

Please note that you can only choose this option when you set up the trust - you can't add this later on.

- 3 [The trustees declare that they will hold the trust property on trust for the surviving settlor absolutely, if he or she is alive 30 days after the death of the first settlor to die.]
- 4 [If the surviving settlor is not alive 30 days after the date of death of the first settlor to die] the trustees declare that they will hold:
 - the plans listed in schedule III
 - any money payable from them, and
 - any investments and other assets bought using plan money ('trust property')on trust for one or more of the persons listed in schedules I and II.

The trustees will use their discretion to decide who will benefit. They will confirm this by signing a deed, (which may be fixed or changeable), at any time, but no later than 24 months after either:

 - the date the person whose life is insured dies, or
 - the date the second person insured (if there is one) dies.
- 5 The trustees may sign a deed or deeds which, under clause 3, do not include all the trust property. If this happens they will continue to hold whatever is left on trust for the persons listed in schedule II in the shares set out there. If no shares are set out, then whatever is left will be held in equal shares for each of them.
- 6 We confirm that this deed is within category N of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

In witness of this the settlor and the additional trustees have signed this deed in front of the witnesses on the date which appears on the first page of this deed. Details of these witnesses are set out on page 5 of this deed.

Schedule I – Potential beneficiaries

Persons who could potentially benefit from the trust property.

- 1 Any widow or widower of the settlor (but not if she or he is a settlor of this deed too).
- 2 Any civil partner of the settlor immediately prior to death (but not if she or he is a settlor of this deed too).
- 3 Any child or grandchild of the settlor.
- 4 Any brother or sister of the settlor,
- 5 Any person listed in schedule II who is not already mentioned in this schedule I.
- 6 Any other person listed below.

Add the full name of any person that you may want to benefit from trust property now or in the future, who isn't included in 1, 2, 3 or 4 above.

Together called the '**potential beneficiaries**'

Schedule II – Default beneficiaries

Add the full names of the people you want to benefit from the trust property below. Please clearly record each beneficiary’s share entitlement as either a percentage or a fraction of the trust property, making sure that all the share entitlements add up to the whole of the trust property. If share entitlement isn’t confirmed here, the trustees will assume equal shares for each default beneficiary.

The trustees may use their power to change the default beneficiaries to anyone who would be included as a potential beneficiary in schedule I. They can also use their power to change the share entitlement of the default beneficiaries.

Full names	Share entitlement
_____	_____
_____	_____
_____	_____
_____	_____

Together called the ‘**default beneficiaries**’

Schedule III – Plans

Add details of each plan which will be held on trust.

Plan or policy number(s)	With (name of company)	Start date (DD/MM/YYYY)
_____	_____	____ / ____ / ____
_____	_____	____ / ____ / ____
_____	_____	____ / ____ / ____
_____	_____	____ / ____ / ____

Together called the ‘**plans**’

Schedule IV – Trust provisions

- 1** This trust will carry any income generated by the trust property. The trustees can:
 - pay this income to or for someone else, or
 - pay or apply the income for the benefit of the persons who would be entitled to the trust property.

For a beneficiary under the age of legal capacity (which is 18 in England and Wales, and 16 in Scotland), the trustees can:

- pay or apply a suitable amount of the income to that person
- use the income to pay for their maintenance, education or benefit, and
- keep any surplus income in the trust for them until that person reaches the age of legal capacity.

Section 31(1)(i) of the Trustee Act 1925 will not apply to this deed. The words ‘one half’ in section 32(1)(a) will be deleted.

- 2** The statutory power of appointing or removing trustees is changed.

The settlor has the power to appoint new or further trustees, and can remove existing trustees without giving a reason. If there are two settlors and one has died, the surviving settlor has these powers. If all the settlors have died the, trustees have these powers.
- 3** The trustees may not use their discretions or powers under this trust or any other powers they have by law, to benefit:
 - the settlor, or
 - the settlor’s wife or husband, or
 - the settlor’s civil partner
 in any way.

4 The trustees have the powers set out below in addition to all powers given to them by law.

a) To invest all or part of the trust property in any kind of investments. These investments may generate income, but don't have to. The trustees should make investment decisions taking the same care as if the trust property was their own.

b) To borrow money using the trust property as security for any reason, including more investment.

c) To use their discretion to:

(i) pay all or part of the trust property towards the advancement, maintenance, education or benefit of any person who has the right to have the trust income paid to them, including the payment of inheritance tax. When a parent or guardian accepts money on behalf of any person under the age of legal capacity, it means that the trustees have no more liability to that person

(ii) lend all or part of the trust property to any one or more of the persons listed in schedules I and II. The trustees can choose whether to charge interest payments, ask for security and apply other conditions

(iii) recover, receive or give valid receipts for all money due to them under any of the plans. And once they've received payments due in full, to discharge the company that provided the plans. Once discharged, the company will have no obligation to make sure the trustees deal properly with the trust property

(iv) delegate some or all of their powers to any person (but not to those listed in clause 3) to deal with any of the trust property (but not the powers to delegate in this clause (iv)

(v) to employ any person to act as an agent for them (but not those listed in clause 3). Any fees payable to the agent can be paid out of the trust property. If they do this, none of the trustees will be liable for any loss which happens as a result of the fraud or negligence of any agent appointed in good faith by them. This applies even where the trustees could have acted for themselves without needing an agent

(vi) where a beneficiary is under the age of legal capacity, or legally cannot receive money for his or her benefit, to pay or transfer any capital or income which is for that person's benefit to their parent, guardian or any other person they decide is suitable. When a parent, guardian or other suitable person accepts money on behalf of any such person, it means that the trustees have no more liability to that person

(vii) change, remove or add to the terms of this trust at any time to allow them to carry out their duties and exercise their powers under the trust. They can do this using a deed signed by all of them.

5 The trustees will not have to keep the plans in force or to restart them if they end because premiums have not been paid. They will not have to replace them with new plans either.

6 Any trustee who is a solicitor or other person providing professional or advisory services may charge for:

- costs incurred
- business transacted
- time spent, and
- acts done

on the instructions of the trustees. Charges can be paid for out of the trust property. This does not apply if the trustee is also the settlor, the settlor's wife or husband, or the settlor's civil partner.

7 This declaration of trust is subject to the laws of England and Wales unless the address (or both addresses) for the settlor is in Scotland, when this trust shall be subject to Scots Law.

8 By signing this deed the trustees accept their appointment as trustees. Where Scots Law applies, the trustees request that the plans be delivered to them at the address for the settlor set out in this deed, (unless they want them delivering to their nominated agent, whose details are set out below).

Name of agent

Address

Postcode

Settlor(s)

Signed as a deed by the first settlor and trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

Signed as a deed by the second settlor and trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

Additional trustees

Signed as a deed by the first additional trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

Signed as a deed by the second additional trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

Signed as a deed by the third additional trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

Signed as a deed by the fourth additional trustee

Name _____ Signature _____

In the presence of witness

Name _____ Signature _____

Address _____ Postcode _____

You can get this and other documents from us in Braille or large print by contacting us.