

What is this for and how does it work?

The aim of this Life Policy Trust is to ensure the proceeds payable from your Life Policy on your death are outside your estate for inheritance tax purposes.

On your death, the Death Benefits will be paid to your Trustees who will distribute them to your chosen Beneficiaries.

Is it suitable for me?

If you are unsure, you should take specialist independent tax and legal advice on your specific circumstances as to whether this Trust is effective and appropriate for you.

This Trust is intended for use where there is one Policyholder with a Beagle Street Policy (or Policies). It is not suitable for joint Policyholders.

Guidance notes...

Please be aware that these notes are intended for general guidance only and should not be relied upon in the place of specialist legal and tax advice.

Section 1

This Life Policy Trust is made on¹ Day Month Year

Between the Policyholder...

Policyholder Name _____
 Address Line 1 _____
 Address Line 2 _____
 Address Line 3 _____ Postcode _____

The Trustee...

First Trustee Name _____ Date of Birth _____
 Address Line 1 _____
 Address Line 2 _____
 Address Line 3 _____ Postcode _____

The Trustee...

Second Trustee Name _____ Date of Birth _____
 Address Line 1 _____
 Address Line 2 _____
 Address Line 3 _____ Postcode _____

The Trustee...

Third Trustee Name _____ Date of Birth _____
 Address Line 1 _____
 Address Line 2 _____
 Address Line 3 _____ Postcode _____

The Trustee...

Fourth Trustee Name _____ Date of Birth _____
 Address Line 1 _____
 Address Line 2 _____
 Address Line 3 _____ Postcode _____

(together with the Policyholder, the Trustees²)

Why do I need additional Trustees and who should I choose?

You will be one of the Trustees. However, because the Death Benefits are payable on your death, it is necessary to appoint additional Trustees who will still be living and be able to distribute the Death Benefits.

Add additional Trustees details to this section.

In theory you may add as many additional Trustees as you wish but we strongly recommend that you add no more than four to ensure effective decision making.

You should choose people you trust as they will be responsible for receiving the Death Benefits and distributing them to your chosen Beneficiaries.

Your additional Trustees can also be Beneficiaries. For example, your spouse could be a Beneficiary and a Trustee.

The minimum age for a Trustee is 18.

¹ Date on which last signatory signs this deed

² Trustees includes any Trustees appointed to act in the future

Section 2 – Assignment of Policy

The Policyholder hereby assigns the following policy (the Policy) to the Trustees

Policy number(s) _____

Section 3 – Declaration of Trusts

The Trustees are to hold the Death Benefits of the Policy, and the money, investments and property from time to time representing those benefits (the Death Benefits), on such Trusts as the Trustees shall appoint for the benefit of the following Beneficiaries (together the Beneficiaries) during the Trust Period³:

Beneficiaries can be:

The Policyholder's surviving spouse or civil partner⁴

The Policyholder's children, grandchildren and great-grandchildren⁵

_____ Please add Beneficiaries details below _____

Beneficiary

Beneficiary Name _____ Date of Birth _____

Address Line 1 _____

Address Line 2 _____

Address Line 3 _____ Postcode _____

Beneficiary

Beneficiary Name _____ Date of Birth _____

Address Line 1 _____

Address Line 2 _____

Address Line 3 _____ Postcode _____

Beneficiary

Beneficiary Name _____ Date of Birth _____

Address Line 1 _____

Address Line 2 _____

Address Line 3 _____ Postcode _____

Additional Beneficiaries

The Policyholder may also nominate any person (other than the Policyholder and the Policyholder's personal representatives, in their capacity as such) by notice in writing addressed to the Trustees provided that notice is received by the Trustees not later than one month after the death of the Policyholder.

What does "Assignment of Policy" mean?

Currently your life is insured and you own the Policy.

Assignment means that you give the Policy to your Trustees so that they legally own the Policy, but it is still your life that is insured.

You will need to inform Beagle Street that you have assigned the Policy to a third party.

What does "Declaration of Trusts" mean?

The declaration of Trust in this section sets out what the Trustees can do with the Death Benefits when they receive them. Whilst it may not be obvious from the wording, this section allows the Trustees to decide when to pay these benefits out and the amount which each Beneficiary receives.

For example, the Trustees could decide to pay all of the benefits to one of the Beneficiaries immediately or to pay them to a number of Beneficiaries on, say, their 21st birthdays.

You should therefore ensure that your other Trustee(s) understands what your intentions are and, ideally, write a letter to the Trustee(s) giving written evidence of this.

You can call us to obtain a Letter of Wishes form to complete.

Who should I choose to benefit?

Generally people choose their surviving spouse, children and grandchildren and remoter descendants.

However you can include anyone else that you would like to benefit from your Death Benefits after your death.

If you wish to add Beneficiaries at a later date you can do this by informing your Trustees in writing.

If you require a form with more Beneficiaries please contact us.

³ The Trust Period means the period ending on the last day of the period of 125 years from the date of this Deed

⁴ The expression "surviving spouse or civil partner" does not extend to a former spouse or civil partner or to an unmarried partner (whether or not they are cohabiting with you). If you want any person in these categories to benefit, you will need to add their details separately

⁵ References to children, grandchildren and great-grandchildren do not include step-children

Section 4 – Policyholder not to benefit

The Trustees shall not in any circumstances use their powers under Section 3 for the benefit of the Policyholder or, during the Policyholder's lifetime, the Policyholder's spouse or civil partner.

Section 5 – Trusts of Critical Illness or Terminal Illness benefits

The Trustees shall hold any Critical Illness or Terminal Illness benefits payable under the Policy (whether the benefits relate to the Critical Illness or Terminal Illness of the Policyholder or dependant of the Policyholder) upon Trust for the Policyholder absolutely.

Section 6 – Administrative Provisions

The Trustees are to hold the Death Benefits of the Policy, and the money, The Standard Provisions of the Society of Trust & Estate Practitioners (2nd Edition) shall apply to the Trusts set out in this deed.

Why can't I benefit?

If the Death Benefits of the Policy are to be outside your estate for inheritance tax purposes you cannot benefit from it (apart from non Death Benefits, see note below). Likewise, your spouse can only benefit after your death.

What happens if the Policy pays out before my death?

If any benefits under your Policy become payable in your lifetime (such as Critical Illness or Terminal Illness benefits) they will be paid direct to you.

Where can I find the Administrative Provisions?

Most Trusts have administrative provisions incorporated which make it easier for Trustees to carry out their duties.

Rather than set all of these provisions out, we have incorporated a set of standard provisions produced by the Society of Trust and Estate Practitioners (STEP) into this Trust.

You can see the provisions here:
www.step.org/sites/default/files/Comms/SSP2_rebrand.pdf

Section 7 – Execution

In witness this deed has been executed on the date appearing at the top of the first page.

Executed as a deed by...

In the presence of...

Policyholder Signature

Witness Signature

Policyholder Full Name

Witness Name

(Signed by the Policyholder in the presence of a witness)

Executed as a deed by...

In the presence of...

First Trustee Signature

Witness Signature

First Trustee Full Name

Witness Name

(Signed by the first Trustee in the presence of a witness)

Executed as a deed by...

In the presence of...

Second Trustee Signature

Witness Signature

Second Trustee Full Name

Witness Name

(Signed by the second Trustee in the presence of a witness)

Executed as a deed by...

In the presence of...

Third Trustee Signature

Witness Signature

Third Trustee Full Name

Witness Name

(Signed by the third Trustee in the presence of a witness)

Executed as a deed by...

In the presence of...

Fourth Trustee Signature

Witness Signature

Fourth Trustee Full Name

Witness Name

(Signed by the fourth Trustee in the presence of a witness)

How do I sign/execute this document correctly?

It is vital that this document is executed correctly to be a valid Trust.

The Policyholder and the other Trustees all need to sign where indicated and each signature must be witnessed by a witness who must also sign.

The witness must be someone who is over the age of 18 and is not one of the trustees (New, Continuing or Outgoing) or the Policyholder. The same witness can witness multiple signatures but must sign for each signature witnessed.

If you are unsure about whether your witness is suitable you should check with your adviser. Beagle Street cannot be responsible for checking this.

The signatures in this Section should correspond to the names listed as Policyholder and Trustees in Section 1.

Once everyone has signed, the document should be dated at the top of page one.

You will need to inform Beagle Street that you have put the Policy into Trust and send us a copy of this form.

By post

Beagle Street
16-17 West Street
Brighton
BN1 2RL

By email

trusts@beaglestreet.com

Need our help?

Call our UK call centre free
0800 247 247