



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 and one Policy. It is not suitable for joint Policyholders.

Section 1

This Life Policy Trust is made on¹

day month year

between the Policyholder...

Policyholder full name

of...

Policyholder address

and...

The Trustee...

Trustee full name

of...

Trustee address

The Trustee...

Trustee full name

of...

Trustee address

(together with the Policyholder, the Trustees?)

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.

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 one or two additional Trustees who will still be living and be able to distribute the Death Benefits.

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.

Life Assured Name

Policy Number

Policy Start Date

Life Assurance Company

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.

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:

Tick if applicable

- the Policyholder's surviving widow or widower⁴;
- the Policyholder's children and remoter issue⁵;
- any persons listed below;

Beneficiary...

Beneficiary full name

of...

Beneficiary address

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 "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 a 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 understands what your intentions are and, ideally, write a letter to the Trustee giving written evidence of this.

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 widow or widower includes a surviving spouse or civil partner but does not extend to a former spouse or civil spouse who was divorced from the Policyholder

⁵ References to the children and issue extend to children and issue who are legitimate, legitimated, illegitimate or adopted

Section 4 Policyholder not to benefit

The Trustees shall not in any circumstances use their powers under clause 2 for the benefit of the Policyholder or, during the Policyholder's lifetime, the Policyholder's spouse or civil partner.

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.

Section 5 Trusts of Critical Illness or Terminal Illness Benefits

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

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 benefits) they will be paid direct to you.

Section 6 Administrative Provisions

The Standard Provisions of the Society of Trust & Estate Practitioners (2nd Edition) shall apply to the Trusts set out in this deed.

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.beaglestreet.com/downloads/step

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...

Policyholder signature

Policyholder full name

In the presence of...

Witness signature

Witness full name

(Signed by Policyholder in the presence of an independent witness)

Executed as a deed by...

First Trustee signature

First Trustee full name

In the presence of...

Witness signature

Witness full name

(Signed by first Trustee in the presence of an independent witness)

Executed as a deed by...

Second Trustee signature

Second Trustee full name

In the presence of...

Witness signature

Witness full name

(Signed by second Trustee in the presence of an independent witness)

How do I sign/execute this document correctly?

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

You and your Trustees all need to sign where indicated and have your signatures witnessed by an independent witness who must also sign.

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

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
Pegasus House
Bakewell Road
Orton Southgate
Peterborough
PE2 6YS

By email...

trusts@beaglestreet.com