

Creating a Trust

Trusts are commonly used to manage a variety of assets for a variety of different reasons.

We live in an era filled with complexities. The typical family with one marriage and '2.4 children' rarely exists. The number of high net worth individuals is on the rise as are business failures and the number of people entering long term care. As a result, more individuals are creating Trusts.

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Trusts are set up for a number of reasons, including:

- Controlling and protecting family assets
- Protecting those who are too young to handle their assets and affairs
- Protecting vulnerable dependents who are incapacitated in some way
- Gifting assets whilst alive in a safe and tax efficient manner
- Passing on assets on death (a 'Will Trust') in a safe tax efficient manner.

What can be gifted to a Trust

- Land or property
- Cash
- Stocks and shares
- Investments
- Pensions
- Life policies
- Personal possessions.

Understanding Trust Terminology

- The 'Settlor(s)' - those creating the Trust by way of gift.
- The 'Trustee(s)' - those responsible for managing the Trust assets.
- The 'Beneficiary' or 'Beneficiaries' - those who can benefit from the Trust.

We're here to help

At Actons, we have a team of specialist lawyers who will advise and guide you through the process of creating and managing a Trust. Call us on 0115 9 100 200 or visit our website at www.actons.co.uk

Types of Trust

Whilst there are several main types of Trust, the most commonly created Trusts are:

- Bare Trusts - where the Beneficiary of the Trust is absolutely entitled to the Trust assets and can demand them at the age of 18.
- Discretionary Trusts - where the 'group' of Beneficiaries only have a hope that they will one day benefit from the Trust assets if the Trustees decide that they will do so. Such decisions are entirely as the Trustees decide.
- Life Interest Trusts - where the primary Beneficiary has an absolute right to the income from the Trust's assets for life or where the assets are land or property where no income is generated they would have the right of rent free occupation of it.
- Disabled Persons or a Vulnerable Persons Trust - where the primary Beneficiary has a qualifying disability with an absolute right to the income from the Trust assets for life, or if the assets are land or property where no income is generated they would have the right of rent free occupation of it.

Creating a Trust

We can help you create whatever type of Trust is required to suit your own, your family's or the needs of your business having holistically assessed your circumstances.

We will discuss all aspects of creating a Trust with you. This will involve specialist tax advisors where it is required and you will receive expert guidance and advice on the following issues:

- What type of Trust should be created and why
- Who should be appointed as Trustees
- Who should be included as Beneficiaries
- Understanding the potential tax implications
- Dealing with any Land Registry or other transfers
- How long the Trust can be in existence
- How much it will cost.