

Survivor's Discretionary Trust deed

Checklist

Before sending the Trust to Legal & General, have you...

- 1. Inserted the policy number (if known) in the box below
- 2. Dated the Trust? (On page 3)
- 3. Completed both settlors' details? (On page 3)
- 4. Inserted the details of any additional beneficiaries? (On page 4)
- 5. Decided whether or not to retain any terminal illness/critical illness benefits? (On page 5)
- 6. Completed the details of the application/existing policy? (On page 8)
- 7. Signed the Trust and had those signatures witnessed? (On page 9)
- 8. Crossed through mistakes (rather than using correction fluid) and have all parties initialled any changes

Policy number

Date received by Legal & General





IMPORTANT NOTES – before completing the Survivor’s Discretionary Trust deed, please read the following notes.

1. This documentation has been produced for consideration by you and your legal advisers. The legal and tax effects of the Trust will depend on your individual circumstances and Legal & General (as defined in clause 11.4 of Part B of the Trust) and its advisers accept no responsibility for ensuring that the Trust meets your requirements.
2. Ensure that you fully understand the terms of the Trust and how it works. See the Survivor’s Discretionary technical guide for further details. If you are in any doubt about the terms, it is your responsibility to seek legal or tax advice as appropriate.
3. You should also ensure you have read and understood all the literature relating to your chosen policy for this Trust.
4. This Trust is designed for use with Legal & General’s protection joint life first death life insurance policies for family protection where you want the death benefit to be paid to the survivor if he or she survives the first to die by 30 days. It is not designed to be used for single life policies, business protection arrangements (for example, key person insurance or shareholder protection), Relevant Life Plans, inheritance tax planning, pension term assurances (for example, Tax Efficient Life Insurance Plan (TELIP)). Please contact Legal & General for further forms in our range.
5. This Trust is a split Trust which means that death benefits will be held for the beneficiaries (known as the ‘Gifted Benefits’), while critical illness or terminal illness benefits as defined in the policy documentation will be held for you (known as the ‘Retained Benefits’). You can choose to give away these critical illness or terminal illness benefits by signing the box in clause 7 of Part B of the Trust deed so these benefits are also for the benefit of the beneficiaries.
6. This Trust can be used for new or existing Legal & General joint life first death protection policies.
7. The settlors are the people creating the Trust. The trustees will be the legal owners of the policy and their authority is required for any dealings with the policy. It is the trustees who would make a claim for any policy proceeds.
8. It is generally a good idea to have at least three trustees at any time. Care should be taken when choosing trustees. The people appointed must be over 18 years of age and of sound mind. The trustees should be people who the settlors believe will act in the best interests of the beneficiaries. It is also generally a good idea for them to be resident in the United Kingdom for tax reasons. Solicitors and accountants can act as trustees but they will charge for their services.
9. It is desirable to supplement the Trust with a ‘Letter of Wishes’ to provide guidance to the trustees. A draft is available from Legal & General at legalandgeneral.com
10. In creating this Trust or by paying premiums you may be making exempt transfers or chargeable lifetime transfers for Inheritance Tax purposes. If you make chargeable transfers which exceed your available nil rate band tax may be payable. Other Inheritance Tax charges can arise during the life of the Trust. For example, tax may be payable on each 10th anniversary of the Trust and when capital is paid to a beneficiary. For further information see the Survivor’s Discretionary technical guide.
11. By signing this deed, and if required by Legal & General, the trustees agree to take all reasonable steps to obtain for Legal & General evidence of identification for any of the beneficiaries of the Trust.
12. Legal & General has drafted this Trust to reflect the law as at 1 January 2020. Legal & General and its advisers cannot accept any responsibility for loss, damage or other claim that may arise from the use of this Trust or the way in which you complete it. We therefore strongly recommend that you consult your own legal or tax adviser before proceeding. Failure to understand the terms of the deed may affect its suitability and effectiveness.
13. Use CAPITALS and black or blue ink throughout. If you make a mistake while completing the Trust, please correct the error by crossing out (do not use correction fluid) and the settlors and the trustees should initial the change.
14. Completed trust deeds should be sent to: Trust Team, Legal & General Assurance Society Ltd, City Park, The Droveaway, Hove, East Sussex, BN3 7PY.
15. If the trust, trustees or settlor/donors are resident for tax purposes anywhere other than the UK you must also complete the Trust/Entity Self-Certification Declaration form and send this to us together with your completed deed.
16. You may wish to refer to HMRC in order to decide whether you are required to register on the online Trusts Registration Service.

Protection Gift Trusts – Survivor’s Discretionary Trust

The settlors and trustees should read Important Notes on page 2 before completing the Trust deed.

A

Date of Trust

New Policy: The date inserted for Part A must be a date on or after the last person signs on page 9 and must be a date before the new Policy comes into force.

Existing Policy: Insert date when last person signs on page 8.

THIS TRUST DEED is made on the day of 20
BETWEEN the settlor and the trustees.

B

Definitions

The settlors are the people who are creating the trust.

Please insert the name and address of the settlors.

It is important that at least one additional trustee is named. Both settlors will automatically be trustees.

1. The 'Settlor'

First Settlor

Second Settlor

Name

Address

Postcode

Date of birth (DD/MM/YYYY)

2. The 'Additional Trustees'

Additional Trustee 1

Additional Trustee 2

Name

Address

Postcode

Date of birth (DD/MM/YYYY)

Additional Trustee 3

Additional Trustee 4

Name

Address

Postcode

Date of birth (DD/MM/YYYY)

3. The 'Trustees'

The 'Trustees' shall mean the Settlers and the Additional Trustees and any other Trustees for the time being of this Trust.

4. The 'Beneficiaries'

The persons listed below may benefit under the Trust but so that no Excluded Person shall be capable of benefiting and so that neither of the Settlers shall be a member of the class of Beneficiaries.

- 4.1 Any child or grandchild of the Settlers whenever born (including step children and their issue).
- 4.2 Anyone descended from the father or mother of either of the Settlers.
- 4.3 Any surviving spouse (whether or not remarried) of anyone described in sub clauses 4.1 and 4.2.
- 4.4 After the death of one of the Settlers anyone who may benefit from his or her residuary estate.
- 4.5 Any person class of person or any charity named in a deed of addition made by the Settlers during their lifetime.
- 4.6 Any additional Beneficiary.

'Additional Beneficiaries'

Additional Beneficiary 1

Additional Beneficiary 2

Name
Address

Postcode
Date of birth (DD/MM/YYYY)

Additional Beneficiary 3

Additional Beneficiary 4

Name
Address

Postcode
Date of birth (DD/MM/YYYY)

5. Name of Trust

The Trust shall be called Trust

6. Governing Law

English law governs the validity of this Settlement, and its construction, effects, and administration.

Please insert the details of any individual(s) to be included as a beneficiary not already included in the list above.

Do not include an excluded person.

If you wish to include more than four individuals or add a class of persons use a continuation sheet for the extra individuals/class of persons. A draft is available from Legal & General.

The settlors can give the trust a name but they do not have to.

Any death benefits are held for the beneficiaries of the Trust. Any critical or terminal illness benefits as defined in the policy will be paid to the settlor(s).

However, if the settlor(s) sign this box, they will not be able to receive any critical or terminal illness benefits and they will become 'Gifted Benefits' and will also be held for the beneficiaries of the Trust.

7. The Gifted Benefits and the Retained Benefits

- 7.1 Subject to the proviso in sub-clause 7.4 the Settlers give all the benefits (the 'Gifted Benefits') under the Policy (other than any benefit payable on a claim arising from the contraction or diagnosis of a critical or terminal illness (as defined in the Policy) (the 'Retained Benefits')) to the Trustees to hold on trust subject to the powers and provisions of the Trust as set out in this Deed.
- 7.2 The 'Gifted Benefits' include any Accidental Death Benefit cover that Legal & General may give pursuant to the application to Legal & General for the new policy as set out in the schedule.
- 7.3 The Settlers irrevocably disclaim any lien or charge over the Policy for the repayment of any premium.
- 7.4 If both Settlers sign the boxes below, the Settlers also give the Retained Benefits to the Trustees to hold on trust subject to the powers and provisions of the trust as set out in this Deed and the Gifted Benefits shall include the Retained Benefits.

First Settlor

Second Settlor

8. Excluded Persons

- 8.1 The Trustees may at any time or times during the Trust Period, declare by deed or deeds that the objects or persons or classes of objects or persons named or specified (whether or not ascertained) in such deed who are, would or might, but for this clause, be or become Beneficiaries or otherwise able to benefit, as the case may be, shall, in relation to the whole or any part of the Trust Fund, be excluded from benefit (both direct and indirect) and shall be known as 'Excluded Persons'.
- 8.2 The power conferred by sub-clause 8.1 shall not be capable of being exercised so as to take away any interest to which any of the Beneficiaries has previously become indefeasibly entitled.
- 8.3 Any declaration made pursuant to sub clause 8.1 may be revocable, during the Trust Period, or irrevocable to take effect before the end of the Trust Period and shall have effect from the date (not being a date earlier than the date of such instrument) specified in the instrument.
- 8.4 Subject to Part C sub-clause 4.2 the Settlers shall be Excluded Persons.

9. The 'Trust Fund'

The Trust Fund means the Gifted Benefits contained in the Policy set out in the Schedule to this Deed together with any and all other property at any time added to this Trust by way of further gift, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same.

10. The 'Trust Period'

The Trust Period means the period of 125 years beginning with the date of this Trust.

11. Construction

- 11.1 In this Deed words importing the singular shall include the plural and vice versa. Words importing a gender include every gender.
- 11.2 The notes in the margin are for the purposes of information only and shall not be used in the construction of the Trust or any part of it.
- 11.3 'Charity' means a trust or corporation, association, society or other institution established only for charitable purposes in accordance with the governing law of the Trust.
- 11.4 Legal & General shall mean Legal & General Assurance Society Limited.
- 11.5 'Policy' shall mean either the policy or policies effected pursuant to the application to Legal & General or the existing policy, in either case as set out in the Schedule, and in either case shall include any variation or amendment to the same.
- 11.6 'Spouse' shall include a civil partner registered under the Civil Partnership Act 2004 and 'husband', 'wife', 'widow' and 'widower' shall be construed accordingly.

1. Appointing the Trustees

In signing this Trust Deed the Settlers appoint the Trustees to act as the trustees of this Trust and the Trustees agree to act as the trustees of the Trust (as evidenced by them signing this Deed) in accordance with the trusts powers and provisions set out below.

2. Application for a New Policy

The Settlers hereby requests and declares that the Policy be issued by Legal & General to the Settlers to hold on trust with the Additional Trustees subject to the powers and provisions of the Trust as set out in this Deed.

3. Assigning an Existing Policy

- 3.1 The Settlers as the legal and beneficial owners of the Policy assign the Policy and all the benefits payable under it to the Trustees to hold on Trust subject to the powers and provisions of the Trust as set out in this Deed and the Trustees accept the assignment on these terms (as evidenced by them signing this Deed).
- 3.2 The Settlers and Trustees will send a copy of this Trust Deed to Legal & General as notice of the assignment effected under this Trust.

4. Trust Provisions

If Box 7.4 of Part B has not been signed (i.e. there are Retained Benefits) then:

- 4.1 During the joint lifetimes of the Settlers and during the period of 30 days after the death of the first Settlor to die:
- (i) The Trustees may accumulate the whole or part of the income of the Trust Fund
 - (ii) Subject thereto the Trustees shall pay or apply the income of the Trust Fund to or for the benefit of such of the Beneficiaries as the Trustees think fit
- 4.2 The Trustees shall hold the Trust Fund on trust for the survivor of the Settlers absolutely if he or she shall be alive on the day after the period ending 30 days after the death of the first of the Survivors to die (the "Relevant Date")
- 4.3 If the Survivor of the Settlers is not alive on the Relevant Date the Trustees shall hold the Trust Fund and the income thereof for the benefit of any one or more of the Beneficiaries upon such trusts (including Discretionary and Protective Trusts) in such shares and with and subject to such trusts powers and provisions (exercisable by any person) as the Trustees shall at any time or times appoint by deed or deeds executed during the Trust Period which may be revocable during the Trust Period or irrevocable and in default of and subject to any appointment:
- (i) The Trustees shall have power during the Trust Period to pay, transfer or apply the whole or any part or parts of the capital of the Trust Fund as they in their absolute discretion think fit to or for the benefit of any Beneficiary.
 - (ii) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period and shall pay or apply any income not so accumulated to or for the benefit of such of the Beneficiaries as the Trustees think fit.
- 4.4 Subject to all the trusts powers and provisions of this Trust and if and so far as (for any reason) not wholly disposed of by it the Trust Fund shall be held in trust for the children of each of the Settlers alive at the date of this deed and if more than one in equal shares failing which for such charity or charities as shall be determined by the Trustees.
- 4.5 The powers of appointment in sub-clauses 3.3 and the power to apply capital in sub-clause 3.3(i) shall only be exercisable when there are at least two Trustees or a trust corporation.

If Box 7.4 of Part B has been signed (Retained Benefits have been gifted) then:

- 4.1 (i) The Trustees may accumulate the whole or part of the income of the Trust Fund
- (ii) Subject thereto the Trustees shall pay or apply the income of the Trust Fund to or for the benefit of such of the Beneficiaries as the Trustees think fit
- 4.2 The Trustees shall hold the Trust Fund on trust for the survivor of the Settlers absolutely if he or she shall be alive on the day after the period ending 30 days after the death of the first of the Survivors to die (the "Relevant Date")

4. Trust Provisions continued

- 4.3 If the Survivor of the Settlers is not alive on the Relevant Date the Trustees shall hold the Trust Fund and the income thereof for the benefit of any one or more of the Beneficiaries upon such trusts (including Discretionary and Protective Trusts) in such shares and with and subject to such trusts powers and provisions (exercisable by any person) as the Trustees shall at any time or times appoint by deed or deeds executed during the Trust Period which may be revocable during the Trust Period or irrevocable and in default of and subject to any appointment:
- (i) The Trustees shall have power during the Trust Period to pay, transfer or apply the whole or any part or parts of the capital of the Trust Fund as they in their absolute discretion think fit to or for the benefit of any Beneficiary.
 - (ii) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period and shall pay or apply any income not so accumulated to or for the benefit of such of the Beneficiaries as the Trustees think fit.
- 4.4 The Trustees shall hold the Retained Benefits and the income thereof for the benefit of any one or more of the Beneficiaries upon such trusts (including Discretionary and Protective Trusts) in such shares and with and subject to such trusts powers and provisions (exercisable by any person) as the Trustees shall at any time or times appoint by deed or deeds executed during the Trust Period which may be revocable during the Trust Period or irrevocable and in default of and subject to any appointment:
- (i) The Trustees shall have power during the Trust Period to pay, transfer or apply the whole or any part or parts of the capital of the Trust Fund as they in their absolute discretion think fit to or for the benefit of any Beneficiary.
 - (ii) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period and shall pay or apply any income not so accumulated to or for the benefit of such of the Beneficiaries as the Trustees think fit.
- 4.5 Subject to all the trusts powers and provisions of this Trust and if and so far as (for any reason) not wholly disposed of by it the Trust Fund shall be held in trust for the children of each of the Settlers alive at the date of this deed and if more than one in equal shares failing which for such charity or charities as shall be determined by the Trustees.
- 4.6 The powers of appointment in sub-clauses 3.4 and the power to apply capital in sub-clause 4.3(i) shall only be exercisable when there are at least two Trustees or a trust corporation.

5. Bare Trust for Settlor of Retained Benefits

The Trustees hold the Retained Benefits (if any) on trust for the Settlers in equal shares absolutely.

6. Trustees' Powers

In addition to the powers given to them by law, the Trustees shall have the following powers. The exercise of these powers is subject to the Retained Benefits (if any):

- 6.1 The Trustees may invest any money requiring to be invested (subject to obtaining advice, if required by law) in such manner as if they were absolutely beneficially entitled to the investments.
- 6.2 The Trustees are under no obligation to diversify the Trust Fund.
- 6.3 The Trustees shall have power to effect any life insurance policy on the life of any person or persons, accept assignments of a policy to the Trust and exercise any option under any policy held by the Trustees and to sell, charge, assign or surrender the whole or any part of such policy. For the avoidance of doubt any new policy or increase or decrease of benefits secured by any policy or by any new policy which is effected under any options which are contained in any policy shall be subject to the same Trust as set out in this Deed.
- 6.4 The Trustees shall have power to borrow money on such terms and security as they think fit.
- 6.5 The Trustees shall have power to lend money to any of the Beneficiaries on such terms and security as they think fit.
- 6.6 The Trustees shall have power revocably or irrevocably to delegate any power or powers in making, managing, realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustee in question employed or incurred expense in employing him in good faith.
- 6.7 The Trustees shall have power to instruct any investment or other professional adviser or advisers on such terms as to fees or other remuneration and generally as the Trustees may think fit, and the Trustees may either pay such fees or other remuneration out of the Trust Fund or reimburse themselves out of the Trust Fund if they have paid such fees or other remuneration themselves.

7. Administrative Provisions

7.1 Receipt as a full discharge

The Trustees shall have power to pay or transfer any capital or income to be paid, transferred to, or applied for the maintenance, education or benefit of a Beneficiary who is under the age of legal capacity or otherwise under a legal disability to any parent or guardian of that Beneficiary or to such other person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof.

7.2 Payments to Trustees

Any Trustee for the time being (other than the Settlers) shall:

- (i) be entitled to recover all reasonable expenses; and
- (ii) being a solicitor or other person or corporate body engaged in any profession or business be entitled to be paid all usual professional or other charges for business done in relation to the Trust.

7.3 Appointment and Removal of Trustees

There shall be vested in the Settlers the power of appointment of any Trustee and a power of appointment of a new trustee and/or additional Trustee(s). Subject thereto the power to appoint new or additional Trustees shall be vested in the Trustees.

7.4 Missing Trustees

As long as there are at least two other Trustees, if a Trustee cannot be found, after reasonable efforts have been made to find him, the remaining Trustees can discharge the missing Trustee. It is up to the remaining Trustees to decide whether reasonable efforts have been made to find the missing Trustee and no other person shall be under any duty to ensure that it was proper for the Trustees to have exercised their power to discharge the missing Trustee.

7.5 Power to vary administrative provisions

When in the management or administration of the Trust Fund any transaction is, in the opinion of the Trustees, expedient but cannot be effected by reason of the absence of any power for that purpose, the Trustees may by deed confer on themselves either generally or, in the particular instance, the necessary power for the purpose and on the execution of such a deed the Trustees will have such power as if it had been expressly conferred on them by this Deed.

8. Exercise of Powers

- 8.1 Any powers vested in the Settlers must be exercised jointly during their joint lives and thereafter by the survivor of them.
- 8.2 Subject to Part C sub-clause 4.2, none of the Trust powers or provisions shall operate or be exercised so as to allow any part of the Trust Fund or the income arising from it to be paid, transferred, or applied directly or indirectly to or for the benefit of either of the Settlers in any circumstances whatsoever.
- 8.3 The Trustees shall have power by deed or deeds revocable (whether by the person making such deed or some other person) during the Trust Period or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them (including this power) whether or not of a fiduciary nature and so as to bind their successors.

9. Protection of the Trustees

No Trustee (other than a professional Trustee) will be liable for any loss to the Trust Fund or part of the Trust Fund at any time unless that loss resulted from personal dishonesty or knowing breach of trust.

Schedule

This deed is designed for use with applications for new policies or assignment of existing policies but not both within the same deed. If both types of policies are to be placed in trust then two separate deeds are required.

Please insert either date of application or policy number and the full name of the lives insured.

Name of company:

Description of policy

Date of application (DD/MM/YYYY)

Policy number

Lives insured

The Policy

Legal & General

Witnessing:

Please ensure that all signatures are witnessed by an independent person.

The same person can witness all signatures.

Witnesses must be adult and not someone already named in the Trust nor their spouse or civil partner.

Date: Once all the parties have signed, please insert the date of the deed in the box on page 3.

IN WITNESS whereof the parties have signed this instrument as a deed

First Settlor

Second Settlor

- 1. Signed and delivered as a deed by the said (full name)
- 2. Signature
- 3. In the presence of witness (full name of witness)
- 4. Signature of witness
- 5. Address of witness
- 6. Date (DD/MM/YYYY)

Additional Trustee 1

Additional Trustee 2

- 1. Signed and delivered as a deed by the said trustee (full name)
- 2. Signature
- 3. In the presence of witness (full name of witness)
- 4. Signature of witness
- 5. Address of witness
- 6. Date (DD/MM/YYYY)

Additional Trustee 3

Additional Trustee 4

- 1. Signed and delivered as a deed by the said trustee (full name)
- 2. Signature
- 3. In the presence of witness (full name of witness)
- 4. Signature of witness
- 5. Address of witness
- 6. Date (DD/MM/YYYY)

Legal & General Assurance Society Limited
Registered in England and Wales No.00166055
Registered office: One Coleman Street, London EC2R 5AA

Authorised by the Prudential Regulation Authority and regulated by the
Financial Conduct Authority and the Prudential Regulation Authority.

W13396 04/2020

