

Having A Family Trust

A personal perspective

WHY

1. We asked for financial help.
2. We were drawing up our wills, leaving him/her money.
3. Being left money by relatives.
4. Benefits (£6000 limit).

Discretionary Trust

1. Discretionary Trust is what we were told
2. M cannot be the sole beneficiary.
3. You must TRUST the trustees to do the right thing.
4. We have a letter of guidance for the trustees.
5. Trustees can also be beneficiaries.
6. You will need a bank account for the trust.

Our Beneficiaries

- M...
- P...
- The grandchildren of the Settlor born before the end of the trust.
- Any charity within the United Kingdom whose main aim is the welfare of individuals with mental disabilities.
- Any Person or class of Persons (but not the Settlor and wife) nominated to the trustees (and whose nominated in writing by the Trustees) and accepted by:
 - The Settlor
 - The Settlor wife
 - Two adult beneficiaries (after the death of the survivor of the Settlor (that's me) and wife)

And that is just the beneficiaries so I hope you can see why we used a solicitor to draw up our trust document.

The solicitor also needs to understand the issues of people like our son that receive benefits (like housing benefits, DLA...)

Things we did wrong

- We (The wife and myself were the only trustees) even when the trust was to get the money only when we were both dead. Silly!
- Accumulation period was 12 years but that is no longer an issue as the law changed.

Our solution was to create a new trust.

And then

- TAX the trust must be registered with HMRC
- I think you should get professional help and guidance.
- Please give it serious consideration and get help.

Any questions.