

Legal and General Trusts Guide

This guide is designed to help you through the process of turning your Life, Whole or Life or Critical Illness Insurance into a Trust with Legal and General. To begin, here are some of the terms you will encounter when setting a trust up, a brief overview of what a trust is, and why a trust could be beneficial to your next of kin in the future.

List of terms:

Trust – a legal entity in which you deposit your asset(s)

The Donor / Settlor – The person who creates the trust (you)

The Protector – The person who oversees the activities of the trustees and the trust itself (you)

Trustee(s) – who you name to manage your trust until your beneficiaries can take control of the asset(s)

Beneficiary – who will benefit from the asset(s), for example your spouse, children or grandchildren

Witness – Someone over the age of 18 with no affiliation with the trust

What is a trust?

A trust is an entity in which your assets are ‘held under’ whilst your beneficiaries are unable or incapable of taking them on themselves. The assets held under a trust are managed until it is appropriate for your beneficiaries to manage them themselves. A good example would be a relative such as your brother or sister looking after a house until your children are old enough to take responsibility for it themselves. Insurance policies are also an asset which can be held under a trust. The pay-outs from these policies can be managed in accordance with the terms set out by the trust and have some other benefits in the long run.

How can a Trust benefit me and my next of kin?

Tax Benefits. Life insurance pay-outs are already exempt from capital gains tax and income tax. However, they are usually subject to inheritance tax as they are part of your legal estate. However, if you put your policy “In trust”, the pay-out is made directly to your beneficiaries and will not be considered when inheritance tax is being calculated.

Skip Probate. When a person dies, probate courts distribute a person’s assets to the right beneficiaries. However, this can be a lengthy process and can be made even longer if you have not written a will. By naming a policy in trust it can mean that the beneficiaries can receive their pay-out direct from the insurance company. This can help if your beneficiaries need the money quickly.

No Extra Costs. Insurance providers can set up a trust for you when you purchase your policy with no surcharge. It is also possible to transfer active policies into trust. You should speak to your provider for more details.

This guide will now take you through filling out the appropriate forms in order to set up a trust for your policy. When you are finished filling out the form, you can either print it out and send it by post, or you can submit it electronically. We recommend the latter option if it is possible for you. If you want to post this form, postal details can be found on the last page of the Trust form.

Step 1:

Begin by visiting the Legal and General Online Trust Tool, which can be found [here](#). This tool allows you to fill in all the details of your trust form before printing it out and sending it to them by post. It also contains a menu bar on the left of the page which gives you all the details of your trust. It looks like this:

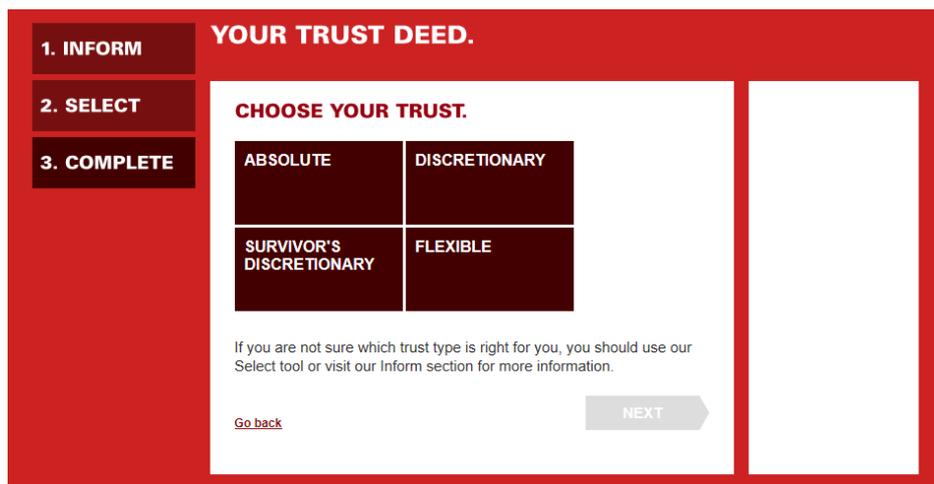


Step 2:

Read through the terms of the trust. This is your choice, but it can help you to better understand how your trust will work.

Step 3: Starting the form

Click on the complete button on the bottom left of the menu bar. This takes you the beginning of the trust form process. Click start to begin filling in your trust form details. The first question will ask you to choose your trust. Click discretionary, then next, then click next again to begin.



1. INFORM **YOUR TRUST DEED.**

2. SELECT

3. COMPLETE

CHOOSE YOUR TRUST.

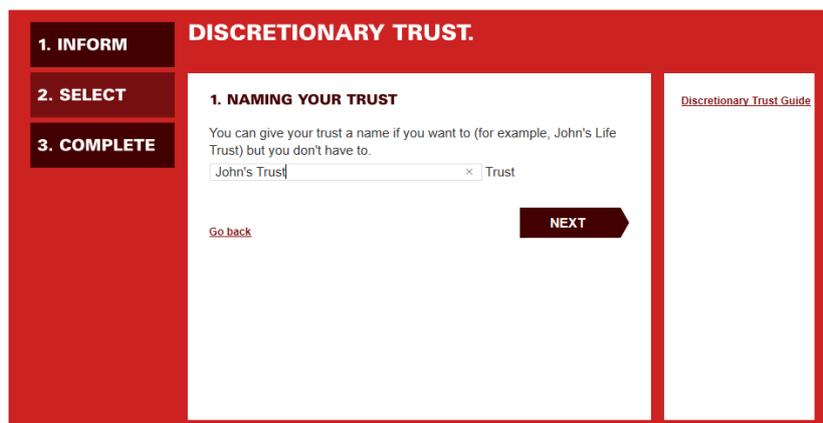
ABSOLUTE	DISCRETIONARY
SURVIVOR'S DISCRETIONARY	FLEXIBLE

If you are not sure which trust type is right for you, you should use our Select tool or visit our Inform section for more information.

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Step 4: Naming your trust

If you want to give your trust a name (e.g. John's Trust) then you can. Fill out the box if you choose to name your trust, then click next.



1. INFORM **DISCRETIONARY TRUST.**

2. SELECT

3. COMPLETE

1. NAMING YOUR TRUST

You can give your trust a name if you want to (for example, John's Life Trust) but you don't have to.

John's Trust × Trust

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Step 5: Your policy type

Here you can pick your policy type from the list. Find your policy type and select it. It will be one of Life Insurance, Life Insurance with Critical Illness Cover or Critical Illness if you bought your policy through Insured-Life. For the purpose of a full guide, 'John' has chosen Life Insurance with Critical Illness cover. Click next when you are ready to continue.

1. INFORM

2. SELECT

3. COMPLETE

DISCRETIONARY TRUST.

2. YOUR POLICY TYPE

What type of policy are you putting into this trust?
You will need a separate trust for each policy that you want to put in trust.

- Life Insurance
[Read more](#)
- Life Insurance with Critical Illness Cover
[Read more](#)
- Critical Illness
[Read more](#)
- Family and Personal Income Plan
[Read more](#)
- Over 50s Life Insurance
[Read more](#)
- Whole of Life Protection Plan
[Read more](#)

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Step 6: Your policy details

You will need your policy number for this section. Fill in your policy number in the box provided. If you do not know it, fill out the date you applied for the policy and Legal and General will find your policy number. Click next when you are ready to continue.

1. INFORM

2. SELECT

3. COMPLETE

DISCRETIONARY TRUST.

3. YOUR POLICY DETAILS

It's important to be able to identify which policy you are placing in trust.
The best way to do this is to include your policy number here, or, if the policy hasn't started yet, the application reference number.

x

If you don't know either of these please tell us the date that you applied for the policy (Date must be in DD/MM/YYYY format.)

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Step 7: Your details:

The purpose of your details is to name The Settlor (yourself). Fill in your full name, including middle names, address, and date of birth in this section. If you share a policy with your spouse, fill in their details by clicking “Add another settlor.” Click next when you are ready to continue.

1. INFORM
DISCRETIONARY TRUST.

2. SELECT

3. COMPLETE

4. YOUR DETAILS

[Discretionary Trust Guide](#)

You are the person who is creating the trust, so you are legally known as the settlor. Please complete your details below:

First Name:

Last Name:

Address:

Postcode:

Date of Birth: (DD/MM/YYYY)

[Add another settlor](#) (This is only applicable if you have a joint policy.)
 If you own your policy jointly with someone else, they will need to be a Settlor as well. Please complete their details below (if applicable):

First Name:

Last Name:

Address:

Postcode:

Date of Birth: (DD/MM/YYYY)

[Remove settlor](#)

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Step 8: Trustee details

You need the details of those who are going to manage your trust until your beneficiaries can take over management of your assets. Fill in their full name, including middle name(s), address, and Date of Birth (format DD/MM/YYYY) in the boxes provided. There are additional boxes for adding more than one trustee.

1. INFORM
DISCRETIONARY TRUST.

2. SELECT

3. COMPLETE

5. THE TRUSTEES - THE PEOPLE WHO WILL LOOK AFTER YOUR POLICY AND SHARE OUT THE TRUST MONEY TO YOUR BENEFICIARIES.

[Additional Trustees Form](#)

You (and any joint settlor) will automatically be a trustee of your trust, but it is usually a good idea to have at least one more person to be a trustee.

You can add in up to four trustees using this online form. Please tell us a bit more about your additional trustees below:

Trustee 1.

First Name:

Last Name:

Address:

Postcode:

Date of Birth: (DD/MM/YYYY)

[Add another trustee](#)
 (You can appoint four trustees using this online form. If you'd like to add more than that, please print off the Additional Trustees Form in the column to the right and send it in along with your trust deed.)

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Step 9: Beneficiaries

You are only required to fill in this step if you would like someone who is not named in the list to be added as a beneficiary. Fill out their details in the box at the bottom of the page and click next.

1. INFORM
2. SELECT
3. COMPLETE

DISCRETIONARY TRUST.

6. YOUR BENEFICIARIES - THE PEOPLE WHO WILL BENEFIT FROM YOUR INSURANCE POLICY

The following people will automatically be considered a beneficiary, so you don't need to name them here. This includes:

- your spouse widow or widower, or registered civil partner
- your children and grandchildren (including step children and their children)
- anyone descended from your mother or father
- any surviving spouse or registered civil partners of any of the above
- anyone who could benefit from your remaining estate when you die (this would be determined by your will, or by the laws of intestacy, and is essentially any person who is entitled to anything that is 'left over' after your specific gifts are taken care of - for further details on this, you should speak to a legal adviser)

Important - Other people you want included
You can add to this list if you'd like to, by naming specific people that the trustees can also consider.

For example a partner or specific friend who is not covered in the list above.

If you'd like to add somebody, please provide their details in the "add beneficiary" section below.

Beneficiary 1.

First Name:

Last Name:

Address:

Postcode:

Date of Birth: (DD/MM/YYYY)

Add another beneficiary
(You can name up to four beneficiaries using this online form.)

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[Additional Beneficiaries Continuation Form](#)

Step 10: Exclusions

If you would like to exclude anyone from your trust, you will need to download a separate form. It is available on the Legal and General Website. If you do not want to exclude anyone, click next.

1. INFORM
2. SELECT
3. COMPLETE

DISCRETIONARY TRUST.

7. EXCLUDED PEOPLE

If there are any people you wish to exclude from receiving any of the money from your trust, then please complete a deed of exclusion separately, after you have completed this trust document or at any time later.

A copy of the deed is available in our 'more information' section.

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You will then be asked if you want to keep or give away your critical or terminal illness benefits you have on your policy. This will be chosen in the generated form at the end of this process. Click next.

1. INFORM
DISCRETIONARY TRUST.

2. SELECT

3. COMPLETE

8. YOUR CRITICAL OR TERMINAL ILLNESS BENEFITS

[Discretionary Trust Guide](#)

You can decide whether you want to keep or give away any critical or terminal illness benefits that you may have on your policy.

If you want to give the benefit away to your beneficiaries, then you will need to sign the relevant section of the trust deed once you print it out. If your policy is joint, both people (joint settlors) will need to sign.

If you don't want to give the benefit away, you can just leave the section blank.

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Step 11: Completion

You will now be asked to save your trust deed on your computer. Click “save trust” and then open the file. To complete this form and post it, print it out and then follow the final instructions. It should look like this:

PROTECTION GIFT TRUSTS
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 the Settlor's 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 7)
7. Signed the Trust and had those signatures witnessed? (on page 8.)
8. Crossed through mistakes (rather than using correction fluid) and have all parties initialled any changes?

Policy Number

Date received by Legal & General

EVERY DAY MATTERS.®



Step 12: Part A – Date of trust

Here you will need to fill the date you complete your trust form. Once all the signatures have been completed at the end of the process, fill out the date. This should be the last thing you do with the form before you post it. The date box can be found at the top of page 3. Fill the date out in the format: DD March 20YY

PART A. DATE OF TRUST	
<p>New Policy: The date inserted for Part A must be a date on or after the last person signs on page 8 and must be a date before the new Policy comes into force.</p>	
<p>Existing Policy: Insert date when last person signs on page 8.</p>	
<p>THIS DECLARATION OF TRUST is made on the <input type="text"/> day of <input type="text"/> 20 <input type="text"/></p> <p>BY the Settlor and the Trustees.</p>	

Step 13: Part B section 7: Gifted and Retained Benefits

With Life Insurance with Critical Illness Cover, you also get payments if you contract a critical or terminal illness. If you want to include these payments in the trust, sign the appropriate box at the top of page 5.

7. The Gifted Benefits and the Retained Benefits	
<p>7.1 Subject to the proviso in sub-clause 7.4 the Settlor gives 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.</p>	
<p>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.</p>	
<p>7.3 The Settlor irrevocably disclaims any lien or charge over the Policy for the repayment of any premium.</p>	
<p>7.4 If the Settlor signs this box, the Settlor also gives 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.</p>	
<p>First (or sole) Settlor</p>	<p>Second Settlor</p>
<input type="text"/>	<input type="text"/>

Step 14: Part D: Signatures

For this section you will need an independent witness. A witness is an individual over the age of 18 who has no previous affiliation with your policy or trust – meaning they are not currently named in the boxes you have already filled out. This section deals with your signatures, verifying them with your independent witness and him/her signing and providing details below. It can be found on page 8 of the form. You should then sign the form in the box provided, in the presence of your witness, followed by adding the date (in the format DD/MM/YYYY). Your witness must then list their full name, including middle names, and their address. They must then sign in the signature box provided. The witness must do this for BOTH Settlers if there is more than one, there are individual boxes for each one. The final step in filling out your form is getting signatures from your trustee(s). Have them sign in the signature box and fill in the date they sign (in the format DD/MM/YYYY). Note – this does not need to be done on the same day as you signed the donor section, but you will also need them verified by a witness.

IN WITNESS whereof the parties have signed this instrument as a deed		
	First (or sole) Settlor	Second Settlor
1. Signed and delivered as a deed by the said (full name)	JOHN NATHAN HARRIS	
2. Signature		
3. In the presence of witness (full name of witness)		
4. Signature of witness		
5. Address of witness		
6. Date		
	Additional Trustee 1	Additional Trustee 2
1. Signed and delivered as a deed by the said Trustee (full name)	DANIEL JAMES HARRIS	
2. Signature		
3. In the presence of witness (full name of witness)		
4. Signature of witness		
5. Address of witness		
6. Date		
	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		

