

Scottish Widows 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 Scottish Widows. 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.

Setting up a Trust with Scottish Widows

These are the policies we sell through Royal London you could put in trust:

- Term Life Insurance – Level, Indexed or Decreasing
- Whole of Life Life Insurance – Level or Indexed.
- Critical Illness Insurance – Level, Indexed or Decreasing

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 are posting this form, Scottish Widows will have sent postal details to you in their Trusts package.

Step 1:

Begin by downloading and printing the “Flexible Trust – Discretionary” form from the Scottish Widows Website. This can be found by clicking [here](#). The first page is as follows:



Step 2: Box A and B

The purpose of boxes A and B is fill in today's date and to name The Settlor (yourself). This section starts on page 1. In box A, fill in today's date, in the format DD MM YYYY. Fill in your full name, including middle names, and address in box B. If your share a policy with your spouse, fill in their details in the "second settlor" section.

In Box A, insert the date of your application (new investments), or if the policy is already in force, insert the date the last person signs the execution clause at the end of this Deed.

Note that where the policy is already in force, the date in Box A must not be earlier than the commencement date (or the latest commencement date) of the existing policy or policies.

The Settlor is the person who is creating the Trust or making the assignment.

You should insert your full name and address in Box B.

If you are making a joint application or the policies being assigned are in joint names, both names should be inserted in Box B.

BOX A – DATE OF FLEXIBLE GIFT TRUST	
Date (DD MM YYYY)	20 04 2020

BOX B – SETTLOR	
First Settlor	
Full name(s)	David Richard Winters
Date of birth (DD MM YYYY)	23 04 1965
Address	103 Wisteria Way
	Otford
	Kent
Postcode	TN14 5HB
Second Settlor	
Full name(s)	Rachel Samantha Winters
Address	103 Wisteria Way
	Otford
	Kent
Postcode	TN14 5HB

Step 3: Box C

Box C deals with naming the Trustee(s). 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. The Trustee must also add their TIN (Taxpayer Identification Number) and their occupation, as well as their country and city of birth. There is an additional box if you want to add multiple trustees.

BOX C – ADDITIONAL TRUSTEES

First additional Trustee

Full name

Date of birth (DD MM YYYY)

Address

Postcode

Country of residence
(if different or not UK)

Country of any residential addresses

Which countries are you tax resident in?

BOX C – ADDITIONAL TRUSTEES (continued)

Nationality
(list all if more than one held) (e.g. British, French, Irish)

Town/city of birth

Country of birth

Occupation

Please provide your TIN:

By TIN, we mean your Taxpayer Identification Number or similar tax payer reference you hold for countries you are resident in.

Second additional Trustee

Full name

Date of birth (DD MM YYYY)

Address

Postcode

Country of residence
(if different or not UK)

Country of any residential addresses

Which countries are you tax resident in?

Nationality
(list all if more than one held) (e.g. British, French, Irish)

Town/city of birth

Country of birth

Occupation

Please provide your TIN:

By TIN, we mean your Taxpayer Identification Number or similar tax payer reference you hold for countries you are resident in.

Step 4: Box D

This box states who your beneficiaries will be. Read through the text to make sure you understand who will benefit from the trust. If you want to add additional beneficiaries, there is a box to do so at the bottom.

BOX D – BENEFICIARIES	
i)	the spouse, widow, widower, civil partner or surviving civil partner of the Settlor (but only in the case where the Trust is made by one person alone).
ii)	the children and remoter descendants of the Settlor (including any adopted children, illegitimate or legitimised children and step-children).
iii)	the spouses, widows, widowers, civil partners and surviving civil partners of the Settlor’s children and remoter descendants.
iv)	any person (other than the Settlor) descended from the mother or father of the Settlor.
v)	such other objects or persons or classes of persons as are added under clause 5.8.
vi)	If you want to add additional beneficiaries, put them here.

Step 5: Box E

Box E requires you to add your policy number(s) that will be placed as an asset within the trust. You need to add your policy number(s) into the box provided. You will also need your product name. Use part B to complete this section, as you already have a policy with Scottish Widows.

BOX E – POLICY OR POLICIES TO BE ASSIGNED		
Please complete Part A if you are making an application for a new policy		
Application date	Application number	Product name
Please complete Part B if the policy is already in existence		
Product name	Policy number	Issued by
Life Insurance	12345678910	Scottish Widows

Step 6: Box F

In box F you will need to name the protector, or yourself. Do so in the following format:

BOX F – PROTECTOR	
Full name(s)	David Richard Winters
Date of birth (DD MM YYYY)	23 04 1965
Address	103 Wisteria Way
	Otford
	Kent
Postcode	TN14 5HB

Step 7: 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 9 of the form. Begin by filling in your Settlor details. If you have more than one Settlor, fill in their details. You should then both 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, there are individual boxes for each one. There is also a section for filling in your trustee's signatures. The witness will also need to sign for these. (See photo on next page)

SIGNED and DELIVERED AS A DEED by the said

First Settlor name David Richard Winters

First Settlor signature


in the presence of:
 Witness name Mary Angela Davidson

Witness signature


Witness address 10 Egerton Road

Birmingham

Postcode BM57 HB3

Second Settlor name Rachel Samantha Winters

Second Settlor signature


in the presence of:
 Witness name Mary Angela Davidson

Witness signature

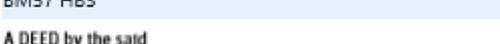

Witness address 10 Egerton Road

Birmingham

Postcode BM57 HB3

SIGNED and DELIVERED AS A DEED by the said

Trustee name Matthew James Winters

Trustee signature


in the presence of:
 Witness name Mary Angela Davidson

Witness signature


Witness address 10 Egerton Road

Birmingham

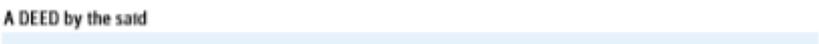
Postcode BM57 HB3

SIGNED and DELIVERED AS A DEED by the said

Trustee name

Trustee signature


in the presence of:
 Witness name

Witness signature


Witness address

Postcode

