

Wrap trust – summary of key points

	Discounted gift trust	Loan trust	Gift trust	Probate trust
Versions	Discretionary and bare	Discretionary and bare	Discretionary and bare	Bare
Donor(s)	Single or joint	Single only	Single or joint	Single or joint
Initial trust assets	Cash and other assets may be transferred	Cash loan	Cash and other assets may be transferred	Cash and other assets may be transferred
Additional trust assets	No - new trust to be set up	No - new trust to be set up	Yes	Yes
Settlor's access to trust fund	Access to retained amount. Payments can start on different anniversaries and increase in amount as outlined in the Trust Deed. No access to gifted amount.	Access to loaned amount which is repayable on demand. No access to any growth in trust fund.	None	Complete access - no other beneficiary can benefit during settlor's lifetime

	Discounted gift trust	Loan trust	Gift trust	Probate trust
IHT - settlor	<p>Underwritten discount and any growth in trust fund immediately outside estate.</p> <p>Gift outside estate on surviving 7 years.</p>	<p>Outstanding loan remains within estate but reduces as loan repayments taken and spent.</p> <p>Any growth in trust fund immediately outside estate.</p>	<p>Gift outside estate on surviving 7 years. Any growth in trust fund immediately outside estate.</p>	<p>Gift to trust and any growth in trust fund remains within estate - no IHT benefits.</p>
IHT - trust	<p>Discounted gift to the bare version is a PET so no immediate IHT charge regardless of gifted amount. No ongoing trust charges.</p> <p>Discounted gift to the discretionary version is a CLT. An immediate IHT charge of 20% will apply where the discounted gift exceeds the donor's available nil rate band and the trustees pay the IHT.</p> <p>Periodic and exit charges may apply.</p>	<p>Loan not gift so no chargeable lifetime transfer (CLT) or potentially exempt transfer (PET).</p> <p>Periodic and exit charges may apply with the discretionary version.</p>	<p>Gift to the bare version is a PET so no immediate IHT charge regardless of gifted amount. No ongoing trust charges.</p> <p>Gift to the discretionary version is a CLT. An immediate IHT charge of 20% will apply where the gift exceeds the donor's available nil rate band and the trustees pay the IHT.</p> <p>Periodic and exit charges may apply.</p>	<p>Trust fund value remains within settlor's estate so no CLT or PET.</p> <p>No ongoing trust charges.</p>

Important Information: This factsheet is issued by the Nucleus Technical Support Team for use by financial advisers in connection with products provided by the Nucleus Group. The Nucleus Group does not accept any liability if the information provided in this document is used for any other purpose. This factsheet is based on our understanding of current UK legislation and HMRC practice at the date this document was produced. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

www.nucleusfinancial.com

"Nucleus" and "James Hay Partnership" are the trading names of Nucleus Group Services Limited (NGSL) (registered in England number 02538532); James Hay Services Limited (JHS) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Sorum Trustees Limited (SorumTL) (registered in England number 1003681); The IPS Partnership Pie (IPS Pie) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371).

"Nucleus", "NFS" and "Nucleus Financial Services" are the trading names of Nucleus Financial Services Limited (NFS) (registered in England 05629686); and Nucleus Financial Limited (NF) (registered in England number 05522098); Nucleus Trustee Company Limited (NTC) (registered in Scotland number SC312652); and NFS (Nominees) Limited (NFSN) (registered in England number 07621355). NF, NFS, NFSN, NGSL, IPS, JHAC, JHPT, JHWM, JHWNC, PAL, SarumTL, IPS Pie, and UPT have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. NTC has its registered office at 12 Blenheim Place, Edinburgh EH7 5JH. JHS has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0OH. JHAC, JHWM, IPS, IPS Pie and NFS are authorised and regulated by the Financial Conduct Authority.