

For professional
advisers only



Adviser factsheet

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Trust decision tree flowchart

This flowchart has been designed with the aim of helping your client in the decision making process which may assist them in selecting the most suitable trust(s) given their personal and financial circumstances.

Start of client journey

Do you wish to decide who can benefit, when they benefit and the amount by which they benefit?

No

A bare trust may be suitable if you want to fix the beneficiaries and their share of the trust fund from outset and won't want to make any future changes

Do you need access to the trust fund?

No

Consider a bare gift trust

Key points

- you set the trust up with a gift to the trustees
- the gift is a potentially exempt transfer
- the trust fund is held entirely for the beneficiaries and you cannot benefit at all
- you choose the beneficiaries and their share of the trust fund at outset and this can't be changed at a future date
- the adult beneficiaries can request their share of the trust fund be paid out to them

Yes

Do you need complete access to the trust fund?

Yes

Consider a bare probate trust

Key points

- you set the trust up with a gift to the trustees
- the value of the entire trust fund remains within your IHT estate
- you retain complete access to the trust fund during your lifetime
- following your death the trust fund can be distributed quickly as probate isn't required for trust assets
- you decide at the outset who benefits from the trust after you die

No

Do you need regular specified payments?

Yes

Consider a bare discounted gift trust

Key points

- you set the trust up with a gift to the trustees
- the gift may be discounted following underwriting
- the discounted gift is a potentially exempt transfer
- you retain the right to regular specified payments during your lifetime unless the trust fund runs out
- you decide at the outset who benefits from the trust after you die

No

Consider a bare loan trust

Key points

- you set the trust up with a loan to the trustees
- the outstanding loan remains within your IHT estate
- you retain access to the loan and can take loan repayments on a regular or ad-hoc basis
- you decide at the outset who benefits from the trust

Yes

A discretionary trust may be suitable

Do you need access to the trust fund?

No

Consider a discretionary gift trust

Key points

- you set the trust up with a gift to the trustees
- the gift is a chargeable lifetime transfer
- the trust fund is held entirely for the beneficiaries and you cannot benefit at all
- the trustees, of which you are automatically one, decide who benefits, when and the amount

Yes

Do you need regular specified payments?

Yes

Consider a discretionary discounted gift trust

Key points

- you set the trust up with a gift to the trustees
- the gift may be discounted following underwriting
- the discounted gift is a chargeable lifetime transfer
- you retain the right to regular specified payments during your lifetime unless the trust fund runs out
- the trustees, of which you are automatically one, decide who benefits, when and the amount after you die

No

Consider a discretionary loan trust

Key points

- you set the trust up with a loan to the trustees
- the outstanding loan remains within your IHT estate
- you retain access to the loan and can take loan repayments on a regular or ad-hoc basis
- the trustees, of which you are automatically one, decide who benefits, when and the amount

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