



Thinking  
ahead for what  
matters most.

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## Protecting and passing on your wealth.

It might be the case that you have built up your wealth over the years. Or perhaps you have had a windfall or inherited a sum of money. Whatever your individual circumstances, setting up a Trust could be the right decision for the future.

To take advantage of our Trust Management Service you will need to have a minimum of £100,000 to invest.





A Trust can help you protect your wealth, making sure the people that matter most to you are the ones who benefit in a way that you want them to. A Trust's flexibility can also make it a tax-efficient way to manage your wealth.

Our Trust Management Service will help you consider all your options. We will sit down with you to discuss your financial circumstances, establish exactly what you want to achieve and how much money you may be able to put into your Trust. We will use our in-depth expertise to find the right solution for you, and go on to manage your Trust with impartiality, integrity and professionalism.

### **Managing your Trust and keeping you informed.**

Once your Trust is set up you will be allocated your own dedicated Trust Manager, a specialist who will take the time to get to know you and be on hand to discuss all aspects of your Trust. Our Trust Management Service removes the burden of decision-making, and takes care of all Trust record keeping, payments, investments and tax returns for you.

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# Selecting us as your Trustee.

A Trust is a legal entity that holds your assets before they are eventually released to those designated to receive them. One benefit of a Trust is its ability to reduce the value of your Estate for Inheritance Tax purposes.

The principle of the Trust has existed for centuries. During the time of the crusades, a soldier would assign their assets to a trusted person before going away to war. This 'Trustee' would keep them safe until the individual returned. The idea remains today: a Trust is an agreement between an owner of assets and the Trustee.

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## Definitions:

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**Beneficiary:** the person (or charity) who will potentially benefit from the assets in a Trust.

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**Deed of Variation:** this allows beneficiaries of a deceased person's Estate to amend the distribution of that Estate, or redirect a bequest from an Estate and, in effect, change the deceased person's Will.

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**Inheritance Tax (IHT):** a tax which generally applies when someone dies – a tax on the Estate, or total value of money and property.

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**Settlor:** the person who creates a Trust by a Deed, which is legally binding. It is usually the Settlor who transfers the original assets into a Trust. As Settlor you can express your intentions to Trustees by providing a 'Letter of Wishes'.

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**Trustee:** an organisation or person that holds and manages Trust assets, invests and distributes funds to beneficiaries.

## **The role of the Trustee.**

A Trustee legally owns the assets of the Trust, but he or she is not allowed to benefit from it themselves, unless they also are a potential beneficiary. The role of Trustee has become even more complex so the right knowledge, combined with the experience to understand the aims of the Trust and needs of its beneficiaries, is essential in undertaking the role.

Having us in place to act as your Trustee means there is no need to worry about replacing individuals acting as Trustees as time passes.

## **Guiding you through the Trust Deed and your Letter of Wishes.**

To set up your Trust you will need a 'Trust Deed' to be drafted, which includes the names of your appointed Trustee and the names of those you would like to benefit from your Trust (these names may be added to or removed over time). This Deed usually has the ability to include future generations automatically; confirms the value of assets to go into a Trust; and details the powers and discretions available to the Trustee. This helps to make sure your Trust can be administered as flexibly as possible, allowing income or capital to be distributed to the people who you want to benefit.

We can also help you write a 'Letter of Wishes'. This provides guidance to the Trustees on how you would like your Trust handled now and in the future, or distributed after your death. You can amend these wishes at any time if circumstances change.

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# Taking you through the different Trusts available.

By working closely with you we will develop a clear understanding of your specific wishes. From here, we will guide you through our range of Trust options, helping to select what's right for you.

## **Discretionary Lifetime Trusts.**

### **The flexibility to carry out your wishes.**

Discretionary Lifetime Trusts offer great flexibility and control for Trustees, along with significant opportunities to potentially save on tax.

During your lifetime you can retain an element of control, guiding Trustees when there is an opportunity to help someone who you want to benefit from your wealth. For example, you could help a grandchild with university costs. Payments can be made from the income or capital of a Trust.

As this Trust is outside of your own Estate, funds can either be made immediately available to beneficiaries on your death, or continue if required.

Before setting up a Discretionary Lifetime Trust, you need to bear in mind that, if the Trust is to be fully tax-efficient, any funds you transfer into the Trust cannot be returned to you.

That includes both the capital invested in the Trust and any income it may produce. So it's important to take your own future financial security into account when deciding how much, if anything, you want to transfer into a Trust.

## **Discretionary Trust by Deed of Variation.**

### **A tax-efficient way to pass on your wealth.**

If you have benefited under someone's Will or Estate in the last two years, you may want to take advantage of immediate Inheritance Tax Savings by passing the funds directly from the person who has died into a Trust, using a Deed of Variation.

A Discretionary Trust created by a Deed of Variation is extremely flexible. It gives the Trustees an element of control over the distributions of funds to intended beneficiaries and you could be included as a named beneficiary. For example, you could use this type of Trust to benefit your spouse, civil partner, partner or child after your own death.

## **Transferred Trust.**

### **Making us your new Trustee.**

There are two different scenarios that may lead to us becoming Trustee. You can appoint us as a new Trustee of an existing Trust that is managed by others. You may also ask us to become Trustee if a Trust is created because someone has died without having a Will in place.

## **Discretionary Will Trust.**

### **Additional planning for what may happen.**

You can make additional Trust arrangements that will only come into effect after you die, by including a specific clause in your Will. The flexibility exists to plan for changes in family circumstances, and you can guide your Trustees by writing a 'Letter of Wishes' (which is kept with your Will). This letter can be amended by you as many times as you wish, but should be reviewed whenever you update your Will.

For example, this type of Trust could provide an income for the lifetime of a spouse, civil partner, partner or child. After their death, the Trust is distributed to the other named beneficiaries, or can continue, for example, to benefit grandchildren.

## **Charitable Trusts.**

### **For the cause closest to you.**

We also manage Charitable Trusts for clients. This type of Trust is formed to benefit the cause you wish to support - now and into the future; and can potentially benefit from tax concessions.

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# **Keeping you in the picture.**

Our Trust Management Service gives you the reassurance you need, at every stage of the process.

We use our extensive knowledge and understanding of your wishes to help you select the Trust that best fits your needs; then take care of all aspects of the management and administration as Trustee.

You will automatically receive regular updates and statements from our specialist team. Plus, your Trust Manager and the rest of the team are available during normal office hours if you have any questions or need more information. Our full terms and conditions including our fees are available separately; please contact us if you have not received them together with this guide.

Whatever you want from your Trust, you can rely on us to take away the burden of decision making, keep you fully informed and provide peace of mind for now and in the future.

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**We also offer Will Writing and Estate Administration Services - please contact us if you would like further information about these services.**

This document is also available in Braille,  
large type and audio.

**Bank of Scotland plc**

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority under number 169628. We are committed to meeting the needs of all our customers. If you have a hearing or speech impairment, you can use Typetalk whenever you contact us, or contact us using Textphone on **08457 626 993** (lines open 9am–5pm, 7 days a week including Bank Holidays). Calls may be monitored and recorded.

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