

Private Banking

TRUST MANAGEMENT SERVICE

Thinking ahead for what matters most



LLOYDS BANK



Definitions

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

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.

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

Settlor: the person who creates a Trust, often 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'.

Trust: a Trust is a legal entity that holds your assets before they are released to the Beneficiary you choose to receive them.

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

I WANT TO KNOW MY LOVED ONES WILL BENEFIT

Our Trust Management Service can help to protect your wealth and pass it on, making sure the people who matter to you benefit.

Expertise

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.

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. One potential benefit of a Trust is its ability to reduce the value of your Estate for Inheritance Tax purposes. A Trust's flexibility can also make it a tax-efficient way to manage your wealth. Tax treatment depends on individual circumstances and may be subject to change in future.

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

Full fees, Terms and Conditions are published separately. Please let us know if you haven't received them with this guide.

Our Trust Specialist will work with you and your adviser to consider your Trust options, discussing your financial circumstances, what you want to achieve, and how much money to put into your Trust. Then they'll draw on in-depth expertise to help identify the right solution for you.

Managing your Trust

Where the Trust is created by you in your lifetime, the Trustee will be Lloyds Bank plc.

When 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.

DID YOU KNOW?

The principle of a Trust has existed for centuries. During the time of the crusades, a soldier would assign his assets to a trusted person before going away to war. This 'Trustee' would keep them safe until the individual returned.

I NEED A TRUSTEE WHO'S UP TO THE TASK

With over 100 years' experience of managing Trusts, Lloyds Bank is well placed to act as your Trustee. As well as the reassurance of proven expertise, there's no need to replace individual Trustees as time passes.

Guiding you through the process

To set up your Trust you will need a 'Trust Deed'. This includes the name of your appointed Trustee, and the names of those you would like to benefit from your Trust ('Beneficiaries'). This Deed can usually include future generations and offers the flexibility of adding and removing such Beneficiaries.

It confirms the value of assets to go into a Trust, and details the powers and discretions available to a 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 your Trustee on how you would like your Trust handled now and in the future, or distributed after your death. You can change these wishes at any time.

The role of the Trustee can be complex, so the knowledge and experience to understand the aims of the Trust and the needs of the Beneficiaries are essential.

The actual administration of the trust is carried out by Lloyds Bank plc.



THE ROLE OF THE TRUSTEE

A Trustee legally owns the assets of the Trust, but isn't allowed to benefit from it personally unless they are also a named 'Beneficiary'.

I NEED TO UNDERSTAND MY OPTIONS

Choosing a Trust is easier when you know what's available, and how it works. Our expert team will guide you through the types of Trusts that we offer, so you can feel confident you've made the best choice for your circumstances.

Discretionary Lifetime Trusts

Discretionary Lifetime Trusts offer great flexibility and control for a Trustee, with opportunities to potentially save on tax.

During your lifetime you retain an element of control, guiding your Trustee when there's an opportunity to help someone who you want to benefit from your wealth. If a grandchild needs help with university costs, for example. This kind of payment can be made from the income or capital of a Discretionary Lifetime Trust.

As the assets in this Trust are outside your personal Estate, funds can either be made immediately available to Beneficiaries on your death, or the Trust can continue if required to meet your beneficiaries ongoing and changing needs.

Remember, for the Trust to be fully tax efficient, any funds you transfer into the Trust can't be returned to you. This includes both the capital invested in the Trust and any income it may produce. So it is 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

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 a Trustee 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 you, your spouse, civil partner, partner or child in your lifetime and continue to benefit them after your own death.

Discretionary Will Trust

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 Trustee 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, perhaps to benefit grandchildren.

Charitable Trust

This type of Trust is set up to benefit the cause or causes you wish to support – now and into the future. These are subject to potential tax concessions.

Transferred Trust

There are different scenarios that may lead to us becoming your 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 a Trustee if a Trust is created by a Will and the appointed Trustee has died or does not wish to act, or because someone has died without leaving a Will in place.

I'D LIKE TO BE KEPT IN THE PICTURE

Our Trust Management Service can give you the reassurance you need at every stage of the process.

Management and administration

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.

Regular updates

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.

Decision making

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.

We can also help you with Estate administration and Will writing – ask your Adviser for further details along with associated costs.

Our Will Writing Service is provided by Hugh James Solicitors to private clients in England and Wales. For clients who require a Will under Scots Law, Hugh James will work together with Brodies LLP.

Our promise is to do our best to resolve any problems you have. If you wish to complain visit your local branch or call **0800 072 3572** or **01733 462 267** (Textphone **0800 056 7614** or **01733 347 500** if you have a hearing impairment). For more information visit www.lloydsbank.com/contactus

Lloyds Bank plc

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under number 119278. Eligible investments and deposits with us are protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service.

Please go to lloydsbank.com/privatebanking
or call us on 0345 366 2725

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Braille or audio CD please contact us.

If you have a hearing or speech impairment you can contact us using
the Next Generation Text (NGT) service (available 24 hours a day, 7 days a week)
or via Textphone on **0345 300 2281** (lines are open 24 hours a day, 7 days a week).

If you are Deaf you can use BSL and the SignVideo service available at
lloydsbank.com/accessibility/signvideo.asp

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