



## 1. Definitions

- “Trustees” means the Settlers referred to in part B and the Additional Trustee(s) referred to in part C and any other trustee(s) for the time being of this Trust
- “Trust Fund” means the Gifted Benefits together with all property at any time held by the Trustee(s) subject to the trusts herein declared, other than the Retained Benefits, whether by way of further settlement, accumulation of income, capital appreciation or otherwise and all monies investments and other property for the time being representing the same or any parts thereof
- “Trust Period” means the period of 79 years from the date of this Trust. This will be the perpetuity period of this Trust
- “Beneficiary/ies” means any person who is either a Potential Beneficiary or a Principal Beneficiary
- “Potential Beneficiary/ies” means:-
- (a) any widow, widower, Civil Partner or former Civil Partner spouse or former spouse of the Settlers excluding the Settlers
  - (b) any child or grandchild of either Settlor whenever born (“child” includes any adopted or step child)
  - (c) anyone descended from the father or mother of either Settlor excluding the Settlers
  - (d) anyone who is or has been married to anyone described in classes (b) or (c) above excluding the Settlers
  - (e) anyone who may benefit from the estate of either Settlor in the event of his or her death excluding the Settlers
  - (f) anyone excluding the Settlers appointed by the Settlers during their joint lifetime and thereafter by the surviving Settlor during his or her lifetime and intimated in writing to the Trustee(s)
  - (g) the Principal Beneficiary/ies
- “Principal Beneficiary/ies” means the persons specified in part D of this Trust
- “Gifted Benefits” means the right to any payment arising under the Policy which is not comprised in the Retained Benefits
- “Retained Benefits” means the right to the Terminal Illness Benefit, Children’s Benefit, Total Permanent Disability Benefit and Critical Illness Benefit (as such terms are defined in the Policy) and any property from time to time representing the same
- 1.1 The clause headings are inserted for convenience only and shall not affect the interpretation or construction of this Trust.
- 1.2 References to any statute or statutory provision shall include (i) any subordinate legislation made under it, and (ii) any provision which it has modified or re-enacted (whether with or without modification).

**2. The Trust**

- 2.1 (a) Where the Policy has been proposed but not yet issued the Settlers declare that the Policy is to be written in trust to hold on the trusts and subject to the powers and provisions set out in this Trust. The Settlers declare that the date of the Trust is the date the policy comes into existence.
- (b) Where the Policy has been issued the Settlers declare that the Trustees are to hold the Policy on the trusts set out in this Trust. The Policy together with the full benefit thereof and all monies assured thereby is hereby assigned to the Trustees to hold the same on the trusts and subject to the powers and provisions set out in this Trust.
- 2.2 The Trustee(s) shall hold the Trust Fund irrevocably on the trusts and subject to the powers and the conditions specified in this Trust. The Additional Trustee(s) by his/their signature(s) accept(s) his/their appointment as trustee(s) of the Trust Fund together with the Settlor.

**3. The Trust Provisions****The Retained Benefits**

- 3.1 The Trustee(s) shall hold the Retained Benefits upon trust for that Settlor in respect of whose illness or disability the benefit is payable absolutely.

**Power of Appointment**

- 3.2 During the Trust Period the Trustee(s) shall have power by deed or deeds revocable (whether by the Trustee(s) or some other person) during the Trust Period or irrevocable to appoint part or all of the Trust Fund and the income thereof for the benefit of such one or more of the Beneficiaries in such one or more shares and for such interests and subject to such trusts powers and provisions (including protective or discretionary trusts or powers exercisable at the discretion of the Trustees or any other person) and in such manner generally including powers and provisions for the maintenance, education or other benefit of the Beneficiaries as the Trustee(s) in their absolute discretion think fit provided always that no such appointment shall affect the entitlement of any person to any benefit previously received by them. The power of appointment must be exercised by at least three trustees or a Trust Corporation.

**Default Provisions**

- 3.3 Subject to and in default of any appointment made under Clause 3.2 of this Trust the Trust Fund and the income thereof shall be held absolutely for the Principal Beneficiary and if more than one in the shares specified in part D and if no shares are specified and there is more than one Principal Beneficiary then in equal shares absolutely.
- 3.4 Whilst any Principal Beneficiary is under the age of 18 the Trustee(s) may pay or apply the whole or any part of the income of that Principal Beneficiary's share of the Trust Fund for or towards the maintenance, education or benefit of such Principal Beneficiary as the Trustee(s) may in their absolute discretion think fit and shall retain the balance (if any) of such income and the resulting income therefrom for the sole benefit of such Principal Beneficiary absolutely. Section 32 of the Trustee Act (Northern Ireland) 1958 shall not apply to any Beneficiary's share of the Trust Fund whilst that Principal Beneficiary is under the age of 18.
- 3.5 The Trustee(s) may, at any time during the Trust Period, pay or apply the whole or any part of the Trust Fund to a Beneficiary for his or her advancement or otherwise for his or her benefit in such manner as the Trustee(s) shall in their absolute discretion think fit.

**4. Administrative Provisions**

- 4.1 (a) The Trustee(s) may apply any money to be invested in the purchase or acquisition (either alone or jointly with other persons) of such property, of whatever nature and wherever situated and whether of a wasting nature, involving liabilities or producing income or not, or in making such loans with or without security, as they think fit so that they shall have the same powers to apply money to be invested as if they were an absolute beneficial owner.
- (b) The Trustee(s) may exchange property for other property on such terms as they think fit.
- (c) The Trustee(s) shall not be required to diversify the investment of the Trust Fund.
- 4.2 The Trustee(s) may lend all or any part of the Trust Fund to any Beneficiary on such terms (whether or not including provision for the payment of interest) as the Trustee(s) think fit.
- 4.3 The Trustee(s) may borrow on the security of all or any part of the Trust Fund.
- 4.4 The Trustee(s) may pay or transfer any assets comprised in, or any income of, the Trust Fund to the parent or guardian of any minor who is beneficially entitled to such assets or income and the receipt of such parent or guardian shall be a full discharge to the Trustee(s).
- 4.5 The Trustee(s) may by deed (and so as to bind successive trustees of this Trust) release or restrict the future exercise of all or any of the powers conferred on them by this Trust.
- 4.6 The Trustee(s) may by deed amend or add to the administrative provisions of this Trust.
- 4.7 The Trustee(s) may apply all or any part of the Trust Fund in purchasing or maintaining any policy of assurance on the life of any person and shall have all the powers of an absolute beneficial owner in relation to any such policy.
- 4.8 The Trustee(s) may appropriate all or any part of the Trust Fund as they think fit in or towards satisfaction of the interest of any Beneficiary and may for such purpose place such value on any property as they think fit.
- 4.9 No Trustee shall be liable for any loss to the Trust Fund which is due to:
- (a) any improper investment, mistake or omission made in good faith;
- (b) the negligence or fraud of any agent employed by him or by any other trustee even if the employment of any agent was not strictly necessary or expedient; or
- (c) by reason of any other matter or thing
- except as a result of the wilful or individual fraud or wrongdoing on the part of the Trustee who is sought to be made liable.
- 4.10 Any Trustee (other than the Settlers or the spouse or Civil Partner for the time being of either of the Settlers) who is a solicitor or other person engaged in a profession or business or any Corporate Trustee, may charge all usual reasonable professional charges in relation to work carried out in connection with this Trust including acts which a trustee not engaged in any profession or business could have done.
- 4.11 No Trustee shall by reason of the fact that he is or may become a Beneficiary be precluded from joining in the exercise of any of the powers contained in this Trust notwithstanding that he will or may benefit from such exercise.
- 4.12 The receipt of the Trustee(s) of any money payable under or deriving from any dealing with any policy of life assurance shall be a full and sufficient discharge to Standard Life Assurance Limited or its successor or to any other company issuing such policy who shall not be concerned to see the application of any such monies.



<i>Signed and delivered as a deed by the third Additional Trustee:</i>	<i>In the presence of:</i>
Name	Name of Witness
Signature	Witness' signature
	Witness' address

*Please ensure that all of the above details have been correctly completed. Witnesses should be independent not someone already named in the Trust nor their spouse or Civil Partner.*

*Standard Life Assurance Limited has drafted this Trust for use with their policies only and with due care and attention and to reflect the law at the time of writing. They cannot accept any responsibility for loss, damage or other claim which may arise from the use of this Trust, perform the function of a legal or tax adviser or guarantee that this Trust will meet all of your specific requirements.*

***You are strongly recommended to consult your own legal, tax or financial adviser before signing this Trust.***

**STANDARD LIFE ASSURANCE LIMITED**  
**Money Laundering Form to Verify Trustees**

To comply with Money Laundering Regulations, we may verify identity, by carrying out an on-line check with a reference agency. Where an on-line check is carried out, the agency will verify your identity against public records and will also check whether you have a credit history (but it will not disclose any information about actual borrowings). The agency will add a note to show that an identity check was made to your credit file, but this information will not be available to any third parties. We regret that we cannot offer an alternative unless the on-line check does not confirm your identity, in which case we will carry out a manual check.

I/We confirm I/We have read and understood the above note.

**Declaration and consent by the Trustees.**

Name 1 <sup>st</sup> Additional Trustee	Date of Birth	Post Code
Signature		
Mr/Mrs/Miss/Ms:		

Name 2 <sup>nd</sup> Additional Trustee	Date of Birth	Post Code
Signature		
Mr/Mrs/Miss/Ms		

Name 3 <sup>rd</sup> Additional Trustee	Date of Birth	Post Code
Signature		
Mr/Mrs/Miss/Ms		

Name 4 <sup>th</sup> Additional Trustee	Date of Birth	Post Code
Signature		
Mr/Mrs/Miss/Ms		

Policy Number/s  - OR - Date of Application

Print name of Life/Lives Assured

**Standard Life cannot allow the Trustees to deal with the policy under any circumstance until these Regulations are complied with.**

**IMPORTANT INFORMATION PLEASE READ BEFORE COMPLETING THE TRUST  
THIS DRAFT TRUST MAY NOT BE SUITABLE FOR INHERITANCE TAX PURPOSES OR BUSINESS ASSURANCE AND  
IS ONLY SUITABLE WITH TERM ASSURANCE WHERE THERE IS NO SURRENDER VALUE**

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**Before you proceed with placing your policy under Trust, we strongly suggest that you seek independent legal/financial advice as there may be legal and tax implications in doing so. This is a draft trust only.**

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This draft trust is intended to be used with policies which offer both critical illness cover and death benefits. It is for joint settlor cases only. The critical illness benefits will usually be paid to the first life assured to suffer a critical illness during his/her lifetime and may be subject to inheritance tax as part of his/her estate. The death benefits may be subject to inheritance tax. If the life assured suffers an illness, which gives rise to a possible claim but no claim is in fact made, then the payment on the subsequent death of the life assured may give rise to a charge to inheritance tax in his/her estate.

The trust divides the Policy benefits into two parts:

1. The Critical Illness, Terminal Illness, Children's and Permanent Disability Benefits. These are called the "Retained Benefits" and are held for the benefit of the Settlor(s), and
2. The death benefit which is held in trust for the benefit of the beneficiaries. The "Gifted Benefits"

The trust is in particular **NOT** suitable for use in the following circumstances:

1. With business assurance
2. If the policy includes a conversion option, e.g. convertible protection plan, a homeplan or any policy where there is a surrender value
3. Where the policy offers Critical Illness Benefit cover only

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**COMPLETION OF OUR DRAFT CRITICAL ILLNESS/SPLIT TRUST (TD14NI)**

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*Please complete the trust in ink. Use block capitals (except for signatures) and always give full names (i.e. include middle names). Please do not use correction fluid. Any alteration should be made before the trust is signed and everyone who is signing the trust must initial each alteration.*

**Part A – The date of the trust**

The date must be on or after the Policy start date. If the Policy has not yet been issued please leave blank. If the Policy has already been issued then please insert the date when the last person signs the trust.

**Part B – Person Assured Details**

Please complete this section with the names and addresses of the persons who own the Policy.

**Part C – Details of the Additional Trustees**

Please complete this section with the full names and addresses of any additional trustees. You should consider appointing at least one other trustee.

**Part D – Details of the Principal Beneficiary/ies**

Please insert the full names of your nominated beneficiary/ies. If there is more than one beneficiary please insert the share each one is to receive.

**Part E – Details of the Policy**

**Date of the Proposal/Policy** – Please insert the date of your application if the Policy is not yet issued. For an existing policy please insert the date of the Policy, if you are unsure leave blank.

**Type of policy** – The type of plan you are applying for.

**Sum Assured** – Please insert the sum assured, investment or premium amount.

**Policy Number** – If you have submitted a proposal for a new policy please leave this blank. If this trust is being attached to an existing policy please insert the policy number and include any segments. e.g. A-V

Pages 2, 3, 4 and 5 are the terms of the trust and must not be removed. The final page is to be signed by the Settlers and all the Trustees before independent witnesses.

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**COMMON QUESTIONS ABOUT STANDARD LIFE TRUSTS**

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**Do the witnesses need to sign?**

It is necessary for all witnesses to print and sign their name and provide their full address. Witnesses must not be a person already named in the trust and certain categories of people are unsuitable (e.g. a husband or wife or Civil Partner of someone signing or a trustee of the policy).

**Why would I write a Policy under a Critical Illness/Split trust?**

1. **Payment** – in the event of a death claim there is no need to wait for Probate/Letters of Administration. Payment can be made quickly to the remaining trustee(s). For this reason you should appoint at least one other trustee.
2. **Inheritance Tax** – Please consult your own financial adviser/solicitor for advice.

3. Critical Illness – To ensure the benefit is received by the Settlor on the diagnosis of Critical Illness, terminal illness or a Total Permanent Disability.

**Can I cancel the Trust?**

It is not possible for our critical illness/split trust to be revoked once it is in place. Please consult your own legal adviser about this.

**Who are the Settlers?**

The persons who own the policy (the Persons Assured) and who create the trust (normally the proposers in a new business situation and the policyholders in an existing business situation).

**Who is the Trustee?**

The Trustee(s) is/are the person(s) responsible for administering the trust property. You should carefully consider whom you are appointing as they are responsible for dealing with the Trust Fund (along with you) and after you die. Our trust documents provide for the Settlor to be a Trustee.

**What if a Trustee goes missing?**

You may have to go to Court to resolve matters and will have to consult your own legal adviser for advice. It is therefore important that you chose your trustees carefully.

**Can a Trustee retire/can a new Trustee be appointed in Standard Life's trusts?**

Yes, all trustees must consent. We may be able to supply a draft deed if you have used one of Standard Life's trusts.

**Who is the Principal Beneficiary/ies?**

The person(s) who you wish to benefit from the Trust Fund. The Principal Beneficiary/ies must be an individual living at the time the Trust is created. This draft trust document does not allow for charities, companies or pre-existing trusts to benefit. This section cannot be left blank.

**Can I change the Beneficiary/ies?**

In our trust the Trustees may be able to change/add/remove beneficiaries provided all trustees agree and sign an appropriate deed and the intended beneficiary/ies fall within the definition of "Potential Beneficiary/ies" in section 1. There may be tax consequences in doing this. We may be able to supply a draft deed if you have used one of Standard Life's trusts.

**Can I put a "whom failing" clause? (e.g. to my sister whom failing my brother)**

No, our trusts are not designed to include a "whom failing" clause, but your solicitor may be able to draw a trust up to suit your purpose.

**Can the Beneficiary/ies and the Additional Trustee(s) be the same person?**

Yes, but there may be practical difficulties with this. To change the beneficiary the Trustees need to agree and this may cause a conflict and breach of trust.

**Can a Policy under trust be assigned to a Lender?**

If the Policy is under trust only the Trustees can assign it as security for a loan. In practice if the Policy is held subject to a trust it is unlikely any lender would accept its assignment. If the Policy is already assigned by way of a security it is generally thought that it should not be put into a trust.

**Do we need identification for Trustees?**

Yes, it is a requirement that we identify all trustees appointed as they control the policy with the Settlor(s). The Trustees must complete and sign the attached Money Laundering form (ID1) and return it with the trust. No dealings with the policy can be made by the Trustees until all Trustees have been identified.

**What if the Trustees reside overseas?**

If any of the Trustees live abroad this trust is not appropriate. If the trustees move abroad this may affect the trust and its tax liability. You should consult with your own adviser about this.

THIS INFORMATION IS FOR USE WITH STANDARD LIFE DRAFT TRUSTS ONLY.

*These draft documents are intended for the relevant UK jurisdiction and to reflect the law at the time of writing. This is not a substitute for obtaining professional advice from a qualified person or firm and it is strongly advised that you consult your solicitor and/or your financial adviser. Every effort has been made to ensure that the information is accurate (and to reflect the law at the time of writing) but neither Standard Life Assurance Limited nor its representatives, officers, employees or agents can accept any responsibility for any loss, damage, or other claim.*

**We value your opinion and if the above notes are unclear please can you let us know.**

For further information please contact Legal Life Services, Standard Life Assurance Limited, 30 Lothian Road, Edinburgh, EH1 2DH. Local rate number 0845 60 60 841 (Monday to Friday from 9.00am to 5.00pm).