

Click to verify



and the intended recipient, you do not authorize to, and must not use, disclose, copy, distribute, retain or rely on this email or any part of it. Please note that whilst we try to ensure that attachments are virus-free, we cannot accept responsibility for situations where this is not the case. Any information in this email is advice from the business and the sender. This page is a company registration in England, registration number 12304109, registered office: 9 Kingsway, High Wycombe, Bucks HP12 3NY. Our easy access Trust savings accounts are available for UK based trust funds. It can be opened and managed by designated trustees for the benefit of trust beneficiaries. Please note that the Trust savings account is opened on a non-advised execution only basis. No advice or assessments have been given to you in its suitability. You must apply for your own independent advice if you need clarification on anything concerning opening a Trust with Bath Building Society. You can find out more about how Trusts operate in our Trust Account Brochure. Here are some Frequently Asked Questions about Trusts. Find out more below, including the important things you need to remember when seeking for a Trust. Yes and without penalty, up to a maximum of 2 per calendar month (after initial six month period) Suitable for savers who: have Bare, Simple, Will, Life Interest or Charitable Trusts that have been registered with HMRCare Trustees who want instant access to their funds after an initial six month periodare Trustees who want to manage the account online, by phone or in our Branches Not for savers who: are looking to access their funds in the first six months want to deposit Trust funds in excess of £1,500,000have non-discretionary Discretionary Trustswant to deposit funds for non UK based Trustsare Trustees who want to make more than two withdrawals a month What is the interest rate? £1-£250,000 0.80% AER*. £250,000.01+ 0.00% AER*. We calculate the interest daily and pay it annually on 31st December. Interest will be added to your account. You do not earn any interest on money in the account over £250,000. You cannot have more than £1,500,000 in your account. *AER stands for Annual Equivalent Rate and shows what the interest rate would be if interest was paid and compounded once each year. The gross rate is the interest rate payable before tax. Can Bath Building Society change the interest rate? The interest rate is variable, so it can go up or down at any time. For more details about why we might change the rate, you should read the Savings Terms & Conditions. What would the estimated balance be after 12 months based on a £1,000 deposit? £1,008.00 This would be the balance after 12 months if £1,000 was paid in, all interest was paid back into the account, there was no change to the interest rate and no money was taken out or paid. This is just an example to help you compare accounts. It does not take into account what you may do with the money in your account. How do I open and manage my account? You must live in the UK to open this account. You can open it with as little as £1. A trustee is someone who operates the Trust according to the Trust deed. A beneficiary is the person or people that receive money from the trust. All trustees and beneficiaries must be UK citizens and be resident in the UK for tax purposes. All trustees must be over 18 years old. You need to complete a Trust Account application form to open the account. These can be found on this product page, in Branch, or by contacting our Savings team. You must give us a copy of the Trust deed. You will need to give us details and identification documents for all trustees and any beneficiaries over 18 years old. All deposits must be from a UK bank account. The bank account must be in the name of the Trust, a trustee, or a solicitor acting on behalf of the Trust. You can deposit a maximum of 5 times a month. You cannot deposit more than £5,000 in cash or 5 cheques in each transaction. You can manage the accounts you hold with us through Bath Online, or by using our Mobile App. You can register for Bath Online on our website, and you can register for the Mobile App on your smartphone. You can ask for a passbook to be sent to you. You will need this if you want to withdraw or deposit money in our Branches. Account holder identification will be required. This is usually obtained through our electronic identity verification service. However, if this proves inconclusive, here's some popular ways to verify your ID. Can I withdraw money? You cannot withdraw money or close your account within the first 6 months after the account is opened. This is an limited access account. After the first 6 months, you can withdraw a maximum of twice each month. All withdrawals and any closures will need to be part of the terms of the Trust deed. We will only make payments to: - HM Revenue & Customs - A trustee or beneficiary named on the account, or - A person or company specified in the Trust deed as being able to receive money from the Trust. You can withdraw by cheque from our Branches. There is no limit to how much you can withdraw. You can take out money in Branch, up to a maximum of £500 without telling us first. If you use your trust, you can withdraw up to £2,000 the next day. You can also ask us to make an electronic payment to your nominated account. This can be done on Bath Online through the Mobile App, in a Branch, or you can contact our Customer Service Department. Additional Information This account is protected by the Financial Services Compensation Scheme (FSCS). You should read your FSCS Information and Exclusions sheet for more information about how your money is protected. This account is a savings account, not a payment account as outlined in the Payment Services Regulation 2017. You should read your Savings Terms & Conditions to fully understand how your account works. We can close an account at any time if you act inappropriately, such as by using abusive language. The Trust application form must be fully completed and signed with wet signatures (original handwritten) by all Trustees. You need to provide two forms of identification for all Trustees and any beneficiaries that are over the age of 18: Proof of identity (e.g., passport or driving licence) Proof of address (e.g., utility bill or bank statement) A copy of the Trust Deed must be provided as part of your application. For Will Trusts, a valid Will may be used as the Trust Deed. For a Will Trust we also need to see a copy of the death certificate to confirm the Trust is in effect. Nominated bank account: Please provide account details for a UK bank account in the name of the Trust, Beneficiary or Trustee. This is the account to which any withdrawals will be paid. The Trust must be registered with HMRC, and you must include in the application form either the 10-digit Unique Tax Reference Number (UTR) or your Unique Reference Number (URN) if the Trust is exempt from tax. Without either of these, we will not be able to accept your application. Also please send us the Trust Registration Confirmation from HMRC. Important notes: The Society does not accept Discretionary Trusts or any Trusts with Discretionary elements. We cannot accept applications if any Trustee or Beneficiary is a non-UK resident or if any Trustee is under 18. Get in touch Email:uk@bathbuiltingsociety.co.uk Bath Investment & Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Registration Number 206026. Telephone calls may be recorded to help the Society maintain high standards of service delivery. Bath Building Society Head Office: 15 Queen Square, Bath BA1 2HN. Did you know that Bath Building Society is becoming increasingly popular in the UK? In fact, according to recent statistics, the number of trust accounts opened in the country has grown by a staggering 30% over the past year alone. This highlights the growing importance of trust accounts as a powerful tool for professionals and individuals managing assets on behalf of clients or family members looking to reduce inheritance tax. Key Takeaways: Trust accounts in the UK have seen a 30% increase in the past year. Trust accounts are beneficial for asset management and inheritance tax planning. Choosing the right bank for trust accounts is crucial for security and reliability. Regulation, product offering, interest rates, and account perks should be considered when selecting a trust bank account. Trust informed about the best banks for trust accounts in the UK for March 2024. How Do Trust Bank Accounts Work in the UK? Source: wifuture.de Trust bank accounts play a crucial role in the management of trusts in the UK. Whether you are a professional trustee or an individual looking to establish a trust for estate planning purposes, understanding how trust bank accounts work is essential. In this section, we will explore the key aspects of trust bank accounts in the UK, including their purpose, the steps to open one, and the tax implications associated with them. What is a Trust Bank Account? A trust bank account is a specialized financial account designed to hold assets and funds on behalf of a trustee. It is a crucial component of the trust structure, allowing trustees to separate trust assets from personal finances and ensure proper management and distribution of funds. Trust bank accounts provide a designated space to keep assets safe and secure, avoiding any commingling with personal or other business accounts. Steps to Open a Trust Bank Account in the UK Source: heartlandwifirm.com Opening a trust bank account in the UK involves several essential steps. While the specific requirements may vary depending on the bank, the general process typically includes the following: Gather necessary documentation: To open a trust bank account, you will need to provide identification documents for all trustees, proof of trust establishment (such as a trust deed or will), and a copy of the trust deed. Complete the application form: Fill out the application form provided by the chosen bank, providing accurate information about the trust, trustees, and intended use of the account. Submit required documents: Attach all required documents, including trust deeds, identification, and any other specified paperwork along with the application form. Verification and approval: The bank will review the application and supporting documents to verify the information provided. Once approved, they will notify the trustees, and the account will be opened. Tax Implications of Trust Bank Accounts in the UK Trust bank accounts in the UK have specific tax implications that trustees should be aware of. These include: Income Tax: Trust income may be subject to Income Tax at the applicable rates, depending on the type of trust and the income generated. Inheritance Tax: Trust assets and transfers may be subject to Inheritance Tax if certain conditions are met. Trustees should seek professional guidance to understand the potential tax liabilities. Capital Gains Tax: Trustees may be liable to pay Capital Gains Tax when disposing of trust assets or if there is a gain in value during the trust period. Stamp Duty Land Tax: Trusts involving the purchase of property may attract Stamp Duty Land Tax, with rates varying based on the property value. It is essential for trustees to consult with tax professionals or specialists to ensure compliance with relevant tax laws and regulations. We hope this section has provided you with insights into the functioning of trust bank accounts in the UK, the process of opening one, and the tax implications associated with them. In the next section, we will discuss the factors to consider when choosing the best bank for your trust account. Best Banks for Trust Accounts: Factors to Consider When choosing a trust bank account, there are several important factors to consider. These factors can help you evaluate the trust account offerings of different banks and make an informed decision that aligns with your specific needs. Regulation of Trust Bank Accounts One of the crucial factors to consider when selecting a trust bank account is the regulation surrounding these accounts. Look for banks that operate under strict regulatory frameworks and have a solid reputation for trust account management. This ensures that your assets are protected and managed in compliance with legal requirements. Product Offering of Trust Bank Accounts Another important aspect to consider is the product offering of trust bank accounts. Evaluate the range of services and features provided by each bank. Some key considerations include the ability to set up multiple trust accounts, online banking access, and dedicated customer support for trust account holders. Interest Rates on Trust Bank Accounts Interest rates can significantly impact the growth of your trust assets. Compare the interest rates offered by different banks and assess whether they align with your financial goals. Banks that provide competitive interest rates can help your trust assets grow over time. Account Perks and Features of Trust Bank Accounts Account perks and features can vary among different trust bank accounts. Consider the additional benefits that banks offer, such as rewards programs, fee waivers, or additional services that can enhance your trust account management experience. These perks can enhance the overall value of your trust bank account. By carefully considering these factors, you can choose the best bank for your trust account needs. Remember to assess the regulation of trust bank accounts, evaluate the product offering, compare interest rates, and explore the account perks and features provided by each bank. Bank Regulation Product Offering Interest Rates Account Perks and Features Bank A Fully Regulated Wide range of trust services, online access, dedicated customer support Competitive rates Rewards program, fee waivers Bank B Regulated Basic trust services, limited online access, standard customer support Average rates No additional perks or features Bank C Fully Regulated Comprehensive trust services, robust online platform, dedicated trust account advisors High rates Premium rewards program, exclusive account perks Conclusion Choosing the right bank for your trust account is a crucial decision that requires careful consideration. Fortunately, there are a range of reputable banks that cater to the unique needs of trust management. When evaluating the options, it's essential to consider various factors such as regulation, product offering, interest rates, and account perks and features. Regulation is a key consideration for the bank, as well as the level of customer service provided. Compare Links The basic process sounds simple enough, but in reality it can be incredibly complex. You don't technically need a solicitor to create a trust but it is highly recommended that you do to ensure they meet your needs. It is a complicated area of law and the wording must be precise to having a solicitor to set up and verify the deed to ensure that it's legally binding and free from ambiguity is highly recommended. Make sure to take professional advice beforehand. How much do trust accounts cost? The costs involved in trust accounts are primarily to do with setting it up in the first place. As mentioned, taking professional advice when creating trusts is highly recommended, so much of the cost would go towards the solicitor's fees for setting up the trust. This can range from a few hundred pounds to several thousand pounds or more for highly complex cases, but you can typically expect to pay around £1,000-£2,000. There may also be yearly fees for management of the trust to consider as well, though this will depend on how the trust is managed. Types of Trust There are different types of trusts that all have different rules and approaches to how the trust shares any income and capital held in it. Some common types of trust include: Bare trusts Bare trusts are held in the name of the trustee on behalf of someone else (the beneficiary). The beneficiary has the right to the assets held within it (and any capital/income generated) from the age of 18 in England and Wales and 16 in Scotland. These trusts are often used for children, with the trustee managing the assets until the beneficiary reaches the required age. Interest in possession trusts Interest in possession trusts allow the beneficiary to either receive income generated from the trust or have use of the asset without having ownership of the assets themselves. This type of trust is often used for property, where the individual has the right to use the asset - or in this case, live in the house - for a set period. When that trust ends, the assets pass on to someone else. Discretionary trusts Discretionary trusts are used to protect assets from creditors, to provide for trust beneficiaries, and to provide for a beneficiary who is not yet of age. They are also used to provide for a beneficiary who is not yet of age, normally still be a set of rules that states their decisions they can take. You can read more about the different type of trusts on the HMRC website. Who can set up a trust? Anyone can set up a trust. It is more commonly used by those with significant assets, but it can be used by anyone who wants their assets to be eligible to set one up. There is no limit on how much or little you place into trust provided the object/s are identifiable, such as shares, money or property. British trust law has a long, fascinating history dating back to the feudal times of the 12th century and the Statute of Uses adopted during the reign of Henry VIII in the 16th century. Back then, trust and equity rules were established as a parallel justice system to address the inequity of common law around property disputes (and to appease disgruntled claimants). Initially, trust funds were mostly utilized for the management of "will monies" and to create family settlements. Today, "trust" has evolved into an umbrella term for a variety of financial frameworks that allow citizens to protect assets, distribute earnings, and manage wealth both for the present day and for future generations. Although traditionally associated with millionaires and magnates, trusts can benefit middle-class families as well. Trusts are basically the same in every country, but individual quirks in the U.K. system mean you need to go through the trust line by line with a professional.A trust is a legal arrangement that allows a third party to hold assets for a beneficiary.Trusts are not only for the wealthy. In principle, a trust is a very simple concept. It's a private legal arrangement in which the ownership of someone's assets (which might include stock shares, cash, real estate, or even artworks) is transferred to a private fund, and held or managed by an individual (or group of individuals) for the benefit of the trust members. The person providing the assets is generally referred to as the settlor. Those appointed to look after the assets are known as trustees, and those who receive disbursements from the trust are the beneficiaries. Once assigned to the trust, trustees have no interest in the assets, and are not responsible for their management. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How the trust may be settled (that is, terminated)The rules for the operation of the trust and how the trust deed itself should be crafted by someone with detailed legal, tax, and financial knowledge, you should decide all of these aspects and sketch them out to a professional preparer. The trust deed will specify the following: The identities of the trustees and beneficiaries whose assets are being passed into the trust are seemingly endless. The most common include: To control and protect family assets Estate and inheritance planning When someone is too young or incapacitated to handle their own financial affairs To protect shareholders against their own lack of control For management and distribution of pension or retirement funds during the term of an individual's employment Since trusts function as multipurpose legal tools, they take many forms. The United Kingdom recognizes numerous trust arrangements (each with its own specific procedures and regulations) that generally fall into one of the following categories: Also known as a simple trust, property or assets in this form are held in the name of a trustee who has no discretion over what income is paid to the beneficiary and has no active duties to perform. The beneficiary has the absolute right to all of the capital and income of the trust at any time—if they are 18 or older (in England and Wales), or 16 or older (in Scotland). Bare trusts are often utilized as a vehicle through which assets are passed to young people. Trustees simply manage the assets until the beneficiary is old enough to handle that responsibility, which means assets set aside by the settlor will always go directly to the intended beneficiary. This structure provides an individual with a "present right to the present enjoyment" of something, so the trustee must pass on all trust income to the beneficiary as it arises (less any expenses and tax). This type of trust can give the "interest in possession" to a beneficiary for a fixed period, an indefinite period, or most frequently, for the rest of the beneficiary's life. In a "life interest" trust, the interest in possession ends when the income beneficiary (known as the "life tenant") dies, relocates, or remarries. As the name implies, this instrument provides the trustee with discretion over distributions from the trust. Discretion must be exercised in accordance with the terms of the trust deed. However, it is entirely up to the trustees to decide as to the timing, size, and nature of the distributions, and even, in some cases, which of the potential beneficiaries is to benefit. The assets are said to be held in trust for the beneficiaries for one day, decide what to do with the assets. A discretionary trust is a very flexible form of trust commonly used to keep wealthy families while allowing them some flexibility to make decisions about where the assets go. It allows the trustees to augment the trust's capital and income. Trustees of an accumulation and maintenance trust are given the power to "accumulate" the trust's assets (through savings and investments), until a certain date, at which time the beneficiary is entitled to the property of the trust, or to some of the income arising from that property. When the beneficiary reaches the age of 18 (at least, but no older than 25), they become entitled to the full income generated by the trust. This form contains different types of trusts within one structure. Some assets may be set aside in interest in possession trust, while others may be treated in a discretionary trust manner. Mixed trusts are often created to benefit sibling beneficiaries who reach inheritance age at different times. While simple in theory, trusts can become a web of complexity if they're to operate properly. A solicitor is needed to draw up a trust because the legal wording must be precise. The process can be costly (around £1,000 or more), depending upon the extent of the advice required. By being prepared before you start in the consultation process, however, you can considerably reduce professional advice time and associated costs, irrespective of trust type. You will need to list the items and value of those items that have been allocated, or will otherwise be acquired, at trust inception. Select an individual or management company you trust (banks are often used), because the trustee will bear significant legal authority with control over trust assets. Compile a list of people or entities that will be entitled to receive benefits, and include the percentage of those benefits to which each beneficiary is entitled. A trust is generally created by way of a deed. A trust deed is a legal document prescribing the rules that govern your fund and the powers of the trustee. It includes the following: The fund's objectivesOriginal trust assetsThe beneficiariesHow benefits are to be paid (either via a lump sum or an income stream)How