

**This trust document can be used with:**

- existing or newly proposed policies
- regular premium or single premium policies
- single life or joint life last survivor policies
- single or joint settlors

and either

- held on a discretionary basis

or

- for the absolute benefit of a specified beneficiary(ies)

The Technical Guide produced by Lincoln provides further information on how this trust document could be used. To request a copy, please call the Service Team on **0845 642 22 22**

## Important notes

### Validation and operation of the Trust

This trust document has been prepared in accordance with Lincoln's interpretation of the law of England and Wales and HM Revenue and Custom's ("HMRC") practice as at March 2008. It is provided on the strict understanding that it is presented as a specimen for consideration by the parties and their legal advisers. Ultimately, its legal and tax effects will depend on the particular circumstances and requirements of each party and on whether legislation and HMRC practice has changed since the trust document was prepared. Before completing this trust document, the parties should seek legal and financial advice on its consequences. Neither Lincoln nor any of its representatives, officials or employees can accept any responsibility for any loss arising from its use.

### Settlor cannot benefit

To be inheritance tax effective, the person(s) creating the Trust ("the Settlers") cannot benefit under the Trust. This Trust must not be used if you wish to have access to (or benefit from) any payments from the policy at any point in the future.

### Absolute Trust

Under an Absolute Trust, neither the beneficiaries nor the share of the trust fund can be changed. The Settlor must be absolutely clear about this before choosing this trust.

### Discretionary Trust

Under a Discretionary Trust, the policy benefits can be paid to any one or more of a wide range of beneficiaries. However, it will be necessary to give consideration to the impact of the entry, periodic and exit charges to inheritance tax that could apply.

**Please consult your financial adviser for further details.**

# Trust Deed

The date must be inserted when the Deed is executed/ signed.

This Trust Deed is made the  day of  in the year

## Applicants/Settlers

The name(s) of the Settlor(s) (both of them in joint cases) must be inserted.

by   
of   
and   
of

(called "the Settlor" which will, where two persons are named above, refer to both of them and where "a Settlor" is used this will refer to either one of them).

The name(s) of the Additional Trustee(s) must be inserted. At least one Additional Trustee is required.

## The Additional Trustee(s)

Full name of the First Additional Trustee   
Full name of the Second Additional Trustee   
Full name of the Third Additional Trustee

(Together called "the Additional Trustees")

As follows:

## Part 1 Declaration

### i) New policy or existing policy:

- A. Where the Policy is being applied for, the Settlor, having submitted to Lincoln Assurance Limited ("the Company") a proposal for the Policy, hereby requests and directs that the Policy be issued by the Company in such manner as to constitute the Settlor and the Additional Trustees as the Trustee(s) to hold the same irrevocably on the trusts and subject to the powers and provisions of this Trust; or
- B. Where the Policy is in force, the Settlor, as the legal and beneficial owner of the Policy issued by Lincoln Assurance Limited ("the Company"), hereby assigns the policy to the trustees and declares that from the date of this Deed the Trustees hold the Policy irrevocably on the trusts and subject to the powers and provisions of this Trust.

### ii) Discretionary Trust or Absolute Trust:

This trust is to be

If the Discretionary Trust is chosen the Settlor(s) should initial Box(es) in section A.

If the Absolute Trust is chosen the Settlor(s) should initial Box(es) in section B.

If there are two Settlers, both must initial the boxes in the same section.

- A. A Discretionary Trust in accordance with Part 4A
- OR
- B. An Absolute Trust in accordance with Part 4B

Settlor(s) initials

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<input type="text"/>	<input type="text"/>



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## Part 2 Policy Subject to Trust

The policy subject to this Trust ("**the Policy**") means the one or more contracts of life assurance, the details of which are specified below.

The policy type e.g. whole of life assurance, and the name(s) of the life/lives assured should be inserted in the appropriate boxes.

Policy type

On the life or lives of

Where the trust is being used with a new policy then the date of proposal should be inserted in Part 2A.

A. Date of proposal

or

Where the trust is used with an existing policy then the policy number(s) should be inserted in Part 2B.

B. Policy number(s)

## Part 3 Definitions

In this Trust the following expressions have the following meanings and unless the context does not permit the singular, shall include the plural and vice versa. Words denoting any gender shall include all genders.

- i) "**Appointor**" means the Settlor during his life or if two persons are the Settlor both of them jointly during their joint lives and thereafter the survivor of them and subject thereto the Trustees.
- ii) "**Beneficiaries**" means the Default Beneficiaries and the Discretionary Beneficiaries where this trust is a Discretionary Trust in accordance with Part 4A and the Absolute Beneficiary(ies) where this trust is an Absolute Trust in accordance with Part 4B.
- iii) "**Discretionary Beneficiaries**", where Part 4A applies, means:-
  - a) any spouse, former spouse, widow or widower of the Settlor provided that person is not a Settlor
  - b) any child or grandchild of the Settlor whenever born, every spouse, former spouse, widow or widower of any such child or grandchild
  - c) the brothers and sisters of the Settlor (or either of them) and their children
  - d) any person (other than a Settlor) beneficially entitled under the Will (or any codicil thereto) of the Settlor or who would be entitled to an interest in the Settlor's estate if the Settlor had died intestate and where the Settlor is two persons this provision shall operate with like effect on the death of each of those persons
  - e) any person (other than the Settlor (or either of them)) nominated as a Discretionary Beneficiary in writing to the Trustees by the Appointor
  - f) the Default Beneficiaries
  - g) any charity.



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- iv) **“Default Beneficiary(ies)”**, where **Part 4A applies**, means the one or more persons named in the boxes below or such other person or persons as are appointed by the Appointor under the power conferred by paragraph 1 of Part 4A below to be Default Beneficiaries in place or in addition to those named below.

This applies only if the Discretionary Trust basis has been chosen in Part 1(ii). The name(s) of the Beneficiary(ies) who will benefit in the absence of any appointment being made by the end of the trust period should be inserted. If more than one then the percentage shares should be inserted. Please ensure that the shares add up to 100%. At least one name must always be included in this Part if a Discretionary Trust has been chosen.

Name	% share if more than one

- v) **“Absolute Beneficiary(ies)”**, where **Part 4B applies**, means the one or more persons named in the boxes below

This applies only if the Absolute Trust basis has been chosen in Part 1(ii). The name(s) of the Beneficiary(ies) should be inserted. If more than one the percentage share should be inserted. Please ensure that the shares add up to 100%. At least one name must always be included in this Part if an Absolute Trust has been chosen.

Name	% share if more than one

- vi) **“Trustees”** means the Settlor and the Additional Trustees, and/or such other Trustees of the Trust as are appointed from time to time
- vii) **“Trust Fund”** means the Policy, its full benefit, any assets at any time added to the Policy by way of further settlement capital accretion accumulation of income or otherwise, and all assets from time to time representing the same and includes where the context so admits any part or parts thereof
- viii) **“Trust Period”** means the period of eighty years from the date of this Trust Deed which is also the perpetuity period
- ix) **“Accumulation Period”** means the period of twenty one years from the date of this Trust Deed
- x) In this Trust **“child”** or **“children”** includes any illegitimate, step, adopted or legitimated (whether adopted or legitimated before or after the date hereof) child or children
- xii) **“Spouse”** includes any civil partner registered under the Civil Partnership Act 2004 and widow(er) includes any surviving civil partner so registered. Any references to marriage include registered civil partnership.



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## Part 4

### Principal Trust Terms

#### A. Where the trust is a Discretionary Trust:

- A1. During the Trust Period the Appointor shall have power by deed or deeds revocable to appoint the whole or any part of the Trust Fund and its income for one or more of the Discretionary Beneficiaries in one or more shares and for such interests and subject to such trusts, powers and provisions (including protective trusts discretionary trusts or powers operative or exercisable at the discretion of the Appointor or any other persons) as the Appointor shall in their absolute discretion think fit and without prejudice to the generality of the foregoing this power shall include the power to appoint any one or more of the Discretionary Beneficiaries to be new or additional Default Beneficiaries in place or in addition to those named by the Settlor in paragraph (iv) of Part 3 above with such adjustment of the shares of the Default Beneficiaries as the Appointor shall direct provided always that no such appointment shall infringe the rule against perpetuities (where this is relevant) or affect the entitlement of any person to any payment made or asset transferred to him and provided also that where the Appointor is the Trustees no appointment shall be made in favour of a Beneficiary who is one of the Trustees unless there is at least one other Trustee who does not benefit directly or indirectly from the appointment.
- A2. Subject to paragraph 1 of this Part 4A:
- i) The Trustees may accumulate the whole or part of the income of the Trust Fund during the Accumulation Period. Such income shall be added to the Trust Fund.
  - ii) The Trustees shall pay or apply the remainder of the income to or for the benefit of such of the Discretionary Beneficiaries as the Trustees think fit during the Trust Period.
- A3. To the extent that any part of the Trust Fund and its income shall not have been appointed or otherwise disposed of by the Trustees during the Trust Period, the Trust Fund shall be held for the absolute benefit of the Default Beneficiaries and if more than one in the shares specified and if no shares are specified in equal shares.
- A4. During the Trust Period
- i) the Trustees shall have power to pay transfer or apply the whole or any part or parts of the Trust Fund to or for the benefit of any Beneficiary entitled to such whole or part
  - ii) the Trustees shall have power to lend with or without security to any Beneficiary the whole or any part of the Trust Fund upon such conditions as to interest (if any) and repayment and generally upon such terms as the Trustees in their absolute discretion think fit. Provided always that any such loan must be repayable before the end of the Trust Period.

#### B. Where the trust is an Absolute Trust

- B1. The Trustees shall hold the Trust Fund and the income thereof absolutely for the Beneficiary(ies) and if more than one in the shares specified in paragraph (v) Part 3 above and if no shares are specified and there is more than one Beneficiary in equal shares absolutely.
- B2. Section 31 of the Trustee Act 1925 shall not apply but so long as the Beneficiary is under the age of 18 years the Trustees shall have power to pay or otherwise apply for or towards his maintenance education or benefit so much of the income from his share in the Trust Fund as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any such income on trust for that Beneficiary absolutely and until he shall attain the age of 18 years the Trustees shall invest the same and the resulting income thereof in investments hereby or by law authorised and shall hold the same as an accretion to the said balance Provided Always that so long as the said Beneficiary is under the age of 18 years the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
- B3. The Trustees shall in place of any other power to pay or apply capital for the benefit of a beneficiary have the power, subject to the consent of an adult Beneficiary having legal capacity but otherwise in their absolute discretion, to pay, transfer or apply the whole or any part or parts of any of the Trust Fund to which any Beneficiary is entitled to or for the outright benefit only of such Beneficiary.



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## Part 5

### Administrative Powers

1. Subject to paragraph 2 of this Part 5 where appropriate, the Trustees shall in the management and administration of the Trust Fund have the widest possible powers exercisable at their absolute discretion of managing and dealing with the Trust Fund in all respects as if the Trustees were the absolute beneficial owners. Without prejudice to the generality of the foregoing the Trustees shall have the following powers:
  - i) Power to retain the Trust Fund in its present state
  - ii) Power to sell or otherwise liquidate and deal with any asset whatsoever comprised in the Trust Fund and to invest in any property of whatsoever nature and wheresoever situate and whether producing income or not, including investment in any policies of assurance as the Trustees may in their absolute discretion think fit and in respect of those policies have all the powers of an absolute beneficial owner in relation to any such policy
  - iii) With regard to the Policy and any other policy of assurance to recover receive or give valid receipts for all moneys due or to become due under any such policy so that the receipt by the Trustees of any moneys payable under or deriving from any dealing with any such policy shall be a full and sufficient discharge to the Company who shall not be concerned to see to the application of any such moneys
  - iv) Power to borrow money on such terms as they may think fit and to use such money in purchasing or subscribing for investments or property to be held as part of the Trust Fund or otherwise for any purchase for which capital moneys forming part of the Trust Fund may be used
  - v) Power to pay or transfer any capital or income to be paid transferred to or applied for the benefit of a Beneficiary who is under a legal disability to any parent or guardian of that Beneficiary or to such other person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof
  - vi) Power to delegate any power or powers in making managing realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons (including nominees) upon such terms as the Trustees may think fit
  - vii) Power at any time or times by deed or deeds to revoke or vary the administrative provisions of this Trust Deed contained in this Part 5 or to add any further administrative provisions that the Trustees may consider expedient for the purpose of this Trust.
2. Where this Trust is an Absolute Trust in accordance with Part 4B above, the exercise by the Trustees of the powers conferred by paragraph 1 of this Part 5 shall require the consent of the Beneficiary or Beneficiaries affected thereby except in relation to any part of the Trust Fund held for a Beneficiary or Beneficiaries under the age of 18 or otherwise under a legal disability.

## Part 6

### Appointment, Dismissal, Retirement and Remuneration of Trustees

1. The Appointor shall have power by deed to appoint new or additional trustees and to dismiss by deed any Trustee and this power shall be exercisable notwithstanding that as a result of its exercise a sole Trustee remains but not so as to result in the Settlor or the Settlor's spouse for the time being becoming the sole Trustee.
3. Any Trustee may retire at any time provided he gives 30 days written notice to the Appointor Provided Always that no retirement of any Trustee shall take effect so as to result in the Settlor or the Settlor's spouse for the time being becoming the sole Trustee.
4. Any corporate body which is empowered to act as a trustee may at any time be appointed as a Trustee and may act by its proper officers in the discharge of its duties as such Trustee and in the exercise of the powers and discretions conferred hereby or by law.
5. Every corporate Trustee, or non-corporate Trustee, other than the Settlor or Settlor's Spouse, who is employed by the Appointor to carry out any profession or trade, shall be entitled to remuneration upon such terms as may be agreed by the Appointor or in the absence of such agreement in accordance with its normal scale of charges (if applicable).



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## Part 7 Further Trust Provisions

1. The duty of care set out in Section 1 Trustee Act 2000 shall apply to all the functions of the Trustees.
2. No Trustee who is an individual shall be liable for any loss to the Trust Fund or the income arising from it by reason either of (i) any investment made in good faith by him or any other Trustee or (ii) any mistake or omission made in good faith by him or any other Trustee except in the case of negligence by a paid Trustee or (iii) the negligence or fraud of any delegate or agent employed in good faith by him or any other Trustee although the delegation to or employment of such agent was not strictly necessary or expedient or (iv) any other matter or thing except individual fraud on the part of the Trustee whom it is sought to make liable or, in the case of a paid Trustee, negligence.
3. The Trustees shall have power by deed or deeds revocable (whether by the person making such deed or some other person) during the Trust Period or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them as if the same were not conferred on them in a fiduciary capacity and so as to bind their successors.
4. The proper law of this Trust shall be that of England and Wales and all rights under this Trust Deed and its construction and effect shall be subject to the jurisdiction of and construed according to the laws of England and Wales.
5. Notwithstanding any of the foregoing provisions none of the trusts powers or provisions of this Trust Deed shall operate or be exercised so as to allow any part of the Trust Fund or the income thereof to be paid transferred or applied to or for the benefit of a Settlor.

## Part 8 Signature

**In Witness** whereof the Settlor executed this deed the day and year first before written  
**Signed as a Deed and Delivered** by the said

(the Settlor)	<input type="text"/>	(Settlor's signature)	<input type="text"/>
Witness name	<input type="text"/>	(Witness' signature)	<input type="text"/>
Occupation	<input type="text"/>		
Address	<input type="text"/>		

The Settlor should sign the document and each signature should be witnessed by an independent witness who should be over 18 and unrelated to the Settlor.

**Signed as a Deed and Delivered** by the said

(Second Settlor)	<input type="text"/>	(Settlor's signature)	<input type="text"/>
Witness name	<input type="text"/>	(Witness' signature)	<input type="text"/>
Occupation	<input type="text"/>		
Address	<input type="text"/>		



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The Additional Trustees should sign the document and each signature should be witnessed by an independent witness who should be over 18 and unrelated to the Additional Trustees

**First Additional Trustee**

Full name

Signature

Address

Date

**Witness**

Full name

Signature

Address

Date

**Second Additional Trustee**

Full name

Signature

Address

Date

**Witness**

Full name

Signature

Address

Date

**Third Additional Trustee**

Full name

Signature

Address

Date

**Witness**

Full name

Signature

Address

Date



Issued by Lincoln Assurance Limited, incorporated in England registration number 830572

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