

# Flexible Trust

## Settlor as trustee with optional survivorship clause

This declaration of trust is made on \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD/MM/YYYY)

**Between 1:**

Full name of first plan owner \_\_\_\_\_

**of** address of first plan owner \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

**and** Full name of second plan owner \_\_\_\_\_

**of** address of second plan owner \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

Together called the '**settlor**'

**and 2 (if appointed)**

Full name of first additional trustee \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD/MM/YYYY)

**of** address of first additional trustee \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

**and** Full name of second additional trustee \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD/MM/YYYY)

**of** address of second additional trustee \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

**and** Full name of third additional trustee \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD/MM/YYYY)

**of** address of third additional trustee \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

**and** Full name of fourth additional trustee \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD/MM/YYYY)

**of** address of fourth additional trustee \_\_\_\_\_

\_\_\_\_\_  
Postcode \_\_\_\_\_

Together called the '**additional trustees**'



## Background

The settlor owns the plans listed in schedule III. The settlor declares that these plans will be held in trust for the benefit of the persons listed in schedules I and II in the way set out in this deed.

### This deed witnesses:

- 1 In this deed the word 'trustees' means the settlor and additional trustees (or any future trustees if there are changes). The word 'trustee' means any one of them.
- 2 The settlor declares that the plans listed in schedule III will be held in trust. The settlor transfers these plans and any money payable from them to the trustees to hold in trust in the way set out in this deed.

**Please tick here if you want the survivorship clause detailed in [3] and [4] to apply to this trust** .

**Please note that you can only choose this option when you set up the trust - you can't add this later on.**

- 3 [The trustees declare that they will hold the trust property on trust for the surviving settlor absolutely, if he or she is alive 30 days after the death of the first settlor to die.]
- 4 [If the surviving settlor is not alive 30 days after the date of death of the first settlor to die] the trustees declare that they will hold:
  - the plans listed in schedule III
  - any money payable from them, and
  - any investments and other assets bought using plan money and any retained income added by the trustees ('trust property')

on trust for one or more of the persons listed in schedules I and II.

The trustees will use their discretion to decide who will benefit:

- a) to distribute the trust property to or among the persons listed in Schedules I and II;
- b) to hold the trust property for the benefit of any of the persons listed in Schedules I and II on such terms as they think fit,

including discretionary trusts, powers and provisions for the maintenance, education or benefit of any of the any of the persons listed in Schedules I and II, powers to retain income and administrative powers. These trusts, powers and provisions can be exercised by anyone chosen by the trustees; or

- c) to apply the trust property for the benefit of any of the persons listed in Schedules I and II by paying or transferring it to the trustees of any other trust provided that all the persons who may benefit under that trust are persons listed in Schedules I and II.

They will do this by signing a deed, (which may be fixed or changeable), at any time during the trust period, but no later than 24 months after either:

- the date the person whose life is insured dies, or
- the date the second person insured (if there is one) dies.

- 5 The trustees may at any time during the Trust Period, but only during the lifetime of the settlor (or of the survivor if there are two settlors), add to the potential beneficiaries in Schedule I any other persons or classes of persons. Any such addition shall be made by signing a deed, and requires the written consent of the settlor. If there are two settlors the consent of both is required, but if one has died the consent of the survivor only is required. The trustees may not add the settlor, the settlor's wife/husband or the settlor's civil partner.
- 6 The Trust period shall be the period of 125 years beginning with the date of the declaration of this trust.
- 7 The trustees may sign a deed or deeds which, under clause 3, do not include all the trust property. If this happens they will continue to hold whatever is left on trust for the persons listed in schedule II in the shares set out there. If no shares are set out, then whatever is left will be held in equal shares for each of them.
- 8 We confirm that this deed is within category N of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

**In witness** of this the settlor and the additional trustees have signed this deed in front of the witnesses on the date which appears on the first page of this deed. Details of these witnesses are set out on page 6 of this deed.

## Schedule I – Potential beneficiaries

Persons who could potentially benefit from the trust property.

- 1 Any widow or widower of the settlor (but not if she or he is a settlor of this deed too).
- 2 Any civil partner of the settlor immediately prior to death (but not if she or he is a settlor of this deed too).
- 3 Any child, grandchild, or great-grandchild of the settlor.
- 4 Any brother or sister of the settlor,
- 5 Any person listed in schedule II who is not already mentioned in this schedule I.
- 6 Any persons or class of persons added by the trustees under clause 5 above.
- 7 Any other person listed below.

Add the full name of any person that you may want to benefit from trust property now or in the future, who isn't included in 1, 2, 3 or 4 above.

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Together called the '**potential beneficiaries**'

## Schedule II – Default beneficiaries

Add the full names of the people you want to benefit from the trust property below. Please clearly record each beneficiary's share entitlement as either a percentage or a fraction of the trust property, making sure that all the share entitlements add up to the whole of the trust property. If share entitlement isn't confirmed here, the trustees will assume equal shares for each default beneficiary.

The trustees may use their power to change the default beneficiaries to anyone who would be included as a potential beneficiary in schedule I. They can also use their power to change the share entitlement of the default beneficiaries.

**Full names**

**Share entitlement**

|       |       |
|-------|-------|
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| <hr/> | <hr/> |

Together called the '**default beneficiaries**'

## Schedule III – Plans

Add details of each plan which will be held on trust.

For plans with LV= you must write our full name '**Liverpool Victoria Financial Services Limited**' otherwise we cannot accept the document.

**Plan or policy number(s)**

**With (name of company)**

**Start date (DD/MM/YYYY)**

|       |       |                 |
|-------|-------|-----------------|
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Together called the '**plans**'

## Schedule IV – Trust provisions

- 1 This trust will carry any income generated by the trust property. The trustees can during the trust period:
- pay this income to or for someone else, or
  - pay or apply the income for the benefit of the persons who would be entitled to the trust property; or
  - retain the income or any part of it and add it to the trust property.

For a beneficiary under the age of legal capacity (which is 18 in England and Wales, and 16 in Scotland), the trustees can:

- pay or apply a suitable amount of the income to that person
- use the income to pay for their maintenance, education or benefit, and
- keep any surplus income in the trust for them until that person reaches the age of legal capacity.

Section 31(1)(i) of the Trustee Act 1925 will not apply to this deed.

- 2 The statutory power of appointing or removing trustees is changed as set out below:

(a) The settlor has the power to appoint new or further trustees. The settlor can remove existing trustees without giving a reason, provided that there are at all times at least two trustees. If there are two settlors they must exercise these powers jointly and where one has died, the surviving settlor has these powers. If all the settlors have died the trustees have power to appoint new or further trustees.

(b) If a settlor lacks mental capacity the provisions in clause 2(a) shall apply as if that settlor had died.

(c) If the power to remove existing trustees is no longer with the settlor (or with either of them where there are two) the trustees may remove a trustee who lacks mental capacity, provided that there are at all times at least two trustees.

(d) a person "**lacks mental capacity**" if they lack capacity (within the meaning of the Mental Capacity Act 2005) to exercise the powers which that person would otherwise be able to exercise under the provisions of this trust, such lack of capacity having been confirmed in writing by a registered medical practitioner, a Member or Fellow of the Royal College of Psychiatrists or a clinical psychologist who is a Chartered Member or Fellow of the British Psychological Society (in each case being a person who is experienced in mental capacity assessment) or by such other person who is in the opinion of the trustees suitably qualified to assess mental capacity.

(e) For the purposes of this clause 2 only, "the trustees" shall mean the persons who are the trustees for the time being of this trust other than any person who lacks mental capacity..

- 3 The trustees may not use their discretions or powers under this trust or any other powers they have by law, to benefit:

- the settlor, or
- the settlor's wife or husband, or

- the settlor's civil partner
- in any way.

- 4 The trustees have the powers set out below in addition to all powers given to them by law.

- To invest all or part of the trust property in any kind of investments. These investments may generate income, but don't have to. The trustees should make investment decisions taking the same care as if the trust property was their own.
- To effect any transaction relating to the management or disposition of the trust property as if the trust property was their own. This includes repairing, maintaining, developing or improving trust property.
- To borrow money using the trust property as security for any reason, including more investment.
- To use their discretion to:
  - pay, transfer or apply all or part of the trust property towards the advancement, maintenance, education or benefit of any person who has the right to have the trust income paid to them, including the payment of inheritance tax. When a parent or guardian accepts money on behalf of any person under the age of legal capacity, it means that the trustees have no more liability to that person
  - lend all or part of the trust property to any one or more of the persons listed in schedules I and II. The trustees can choose whether to charge interest payments, ask for security and apply other conditions
  - permit any of the persons listed in Schedules I and II to occupy or use any part of the trust property on such terms as the trustees think fit.
  - recover, receive or give valid receipts for all money due to them under any of the plans. And once they've received payments due in full, to discharge the company that provided the plans. Once discharged, the company will have no obligation to make sure the trustees deal properly with the trust property
  - delegate some or all of their powers to any person (but not to those listed in clause 3) to deal with any of the trust property (but not the powers to delegate in this clause (v)
  - to employ any person to act as an agent for them (but not those listed in clause 3). Any fees payable to the agent can be paid out of the trust property. If they do this, none of the trustees will be liable for any loss which happens as a result of the fraud or negligence of any agent appointed in good faith by them. This applies even where the trustees could have acted for themselves without needing an agent

(vii) where a beneficiary is under the age of legal capacity, or legally cannot receive money for his or her benefit, to pay or transfer any capital or income which is for that person's benefit to their parent, guardian or any other person they decide is suitable. When a parent, guardian or other suitable person accepts money on behalf of any such person, it means that the trustees have no more liability to that person

(viii) change, remove or add to the terms of this trust at any time to allow them to carry out their duties and exercise their powers under the trust. They can do this using a deed signed by all of them.

- 5 The trustees may exercise their powers to benefit any person listed in Schedule I or II in such a way that one or more of the trustees benefits personally as a result, as long the powers are exercised by at least two persons.
- 6 The trustees may enter into any transaction relating to any part of the trust property even if one or more of the trustees has a conflict of interest in relation to that transaction, as long as it is entered into on such terms as would apply if made on arms' length terms between unconnected persons.
- 7 The trustees will not have to keep the plans in force or to restart them if they end because premiums have not been paid. They will not have to replace them with new plans either.
- 8 Any trustee who is a solicitor or other person providing professional or advisory services may charge for:
  - costs incurred
  - business transacted
  - time spent, and
  - acts done

on the instructions of the trustees. Charges can be paid for out of the trust property. This does not apply if the trustee is also the settlor, the settlor's wife or husband, or the settlor's civil partner.

- 9 This declaration of trust is subject to the laws of England and Wales unless the address (or both addresses) for the settlor is in Scotland, when this trust shall be subject to Scots Law.
- 10 By signing this deed the trustees accept their appointment as trustees. Where Scots Law applies, the trustees request that the plans be delivered to them at the address for the settlor set out in this deed, (unless they want them delivering to their nominated agent, whose details are set out below).

Name of agent \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

## Schedule V - Consent to LV= Membership

Where one or more of the products being placed into trust is provided by Liverpool Victoria Financial Services Limited ("LV=") (or previously Liverpool Victoria Friendly Society Limited) and is recognised by LV= as a product entitled to membership of LV=, LV= will look to grant membership to the eligible trustee(s) in accordance with the membership rules set out in LV='s articles of association.

**If the trust does not contain any member qualifying product provided by LV=, the provisions of this schedule do not apply.**

In summary, the eligibility of trustees for membership is as follows:

- for trusts declared with a single trustee, this person will be eligible for membership;
- for trusts established with two trustees, who are also the only joint beneficiaries of the trust, both trustees will be eligible for membership; and
- in all other cases, the first named trustee given on this declaration of trust will be eligible for membership and, should this person cease to hold the role of trustee, the next person named as trustee shall be considered eligible.

By signing this form, you acknowledge and confirm:

- that, in accordance with the membership rules in force from time to time, you agree to become a member of Liverpool Victoria Financial Services Limited ("LV="), a company limited by guarantee, registered in England and Wales with registered number 12383237, either (i) on the establishment of the trust, or (ii) during the lifetime of the trust whilst you continue to hold the role of trustee (as applicable);
- your membership will be governed by the Companies Act 2006 and LV='s articles of association which are available to view at [LV.com/about-us/company-information/corporate-governance](https://www.lv.com/about-us/company-information/corporate-governance) or in hardcopy on request;
- your membership shall commence from the date LV='s register of members is updated to include your details and shall terminate in accordance with LV='s articles of association; and
- in the unlikely event LV= were to be wound up during your membership, or within one year after you cease to be a member, you undertake to contribute an amount to the assets of LV= not exceeding one penny. Such amount would not be required unless called for by a liquidator.

Every person must sign in the presence of a witness, who also signs and adds his/her full name and address. Your witness must be physically present in the same place as you at the time you sign. This applies even if you are completing this document using our online service.

## Settlor(s)

### Signed as a deed by the first settlor and trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_

### Signed as a deed by the second settlor and trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_

## Additional trustees

### Signed as a deed by the first additional trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_

### Signed as a deed by the second additional trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_

### Signed as a deed by the third additional trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_

### Signed as a deed by the fourth additional trustee

Name \_\_\_\_\_ Signature \_\_\_\_\_

### In the presence of witness

Name \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Postcode \_\_\_\_\_



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