

Discretionary Trust Declaration Form

for use in England and Wales

Before you complete this form, we would recommend that you read our 'Guide to Trusts' and speak to a professional adviser. They will be able to help you decide whether a trust is right for you and, if so, which type of trust would suit your needs best.

You can use this form to put any of the following Fortis covers into a discretionary trust:

- YourLife Plan - Term Assurance
- YourLife Plan - Family Income Benefit

Terminal illness

You can choose to put the terminal illness benefit into the trust or keep it as a retained benefit. If you do put it into the trust, we will pay any benefit for terminal illness to the trust and not to you. The trustees would then distribute the benefit according to the terms of the trust.

Once you, and the trustees that you choose, have signed this form:

- all benefits payable under the covers included in this form will be gifted to the beneficiaries
- you will no longer be a beneficiary for the covers included in this form
- the trustees can only be changed in accordance with the terms of the trust
- the trustees can retain assets until they think it is the right time for them to be distributed

What is a discretionary trust?

A discretionary trust is a trust where the beneficiaries and their entitlements to the trust fund are not fixed but are determined by the criteria set out in the trust instrument by the settlor.

Putting an insurance plan, or parts of it, in trust is not right for everyone. Before completing this form, it is important to discuss your needs with your financial adviser or legal adviser.

This trust is only suitable for the covers listed at the top of this page. It is not suitable for any other cover or plan from Fortis, or for business protection. There is more information about different types of trust in the 'Guide to Trusts' that accompanies this form.

Trusts and taxation

Normally, life protection policies that have been put in trust aren't included in your estate so there should be no inheritance tax to pay. It may not be necessary, therefore, to register this trust with Her Majesty's Revenue & Customs (HMRC). If this trust is part of a wider gifting programme, there may be some benefits to registering this trust with HMRC. Your adviser will be able to tell you if you should register your trust with HMRC.

The laws for gifts and trusts may change in the future. Fortis Life UK Limited cannot be held responsible for any information given or any changes in tax provisions or legislation that may affect the policies within the trusts or the tax treatment of either the policies or the provisions of the trust or the rules applying to gifts for inheritance tax planning purposes.

What if I have a joint life cover?

You can use this form to put a joint life cover in trust, the details of both people whose lives are assured by the cover need to be included in the Declaration of Trust section of this form. Note: please be aware that the life policy proceeds will be paid to the trustees upon the first person's death. If this is not your wish, then putting your plan into trust may not be right for you and you will need to speak to your financial adviser to discuss the appropriate action that meets your needs.

Section A: Definitions

The words in this form which begin with a capital letter have particular meanings which are set out in the table below.

Word	Definition
Additional Trustee	The person appointed by the Settlor to be a Trustee of the Trust as listed in Section C - The Declaration of Trust or such other person or persons who may be appointed as a Trustee of the Trust
Child/Children	A child that is a: <ul style="list-style-type: none"> • Natural born child of the Settlor • Legally adopted child of the Settlor • Stepchild of the Settlor • Illegitimate child of the Settlor
Civil Partner	A person who has gone through a Civil Partnership Ceremony with the Settlor and is classified as their partner under section 1(1) of the Civil Partnership Act 2004
Excluded Person	A person specifically identified in Section C - The Declaration of Trust as excluded from being a Potential Beneficiary
Minor	A person considered to be under the age of consent - currently age 18 in England and Wales, and age 16 in Scotland
Policy	The life assurance contract (or "cover") that you are putting into this Trust and which is identified in Section C - The Declaration of Trust
Potential Beneficiary	A person who may receive a benefit from this Trust and is listed as such in Section C - The Declaration of Trust
Settlor	The person who sets up the Trust and is identified as the "Settlor" in Section C - The Declaration of Trust
Trust	The Trust that is set up pursuant to this Discretionary Trust Declaration Form incorporating this Section A - Definitions, Section B - The Trust Provisions, Section C - The Declaration of Trust and any amendments to these provisions
Trustees	The Settlor and the Additional Trustees
Trust Fund	The Policy, all the title, benefits, rights and interest of the Policy, all monies received or payable under the Policy and all property and monies added thereto by way of further settlement, accumulation of income or otherwise
Trust Period	The lifetime of the Trust which shall be up to 80 years

Section B: The Trust Provisions

We have used headings to help you understand and find particular clauses. These headings do not form part of the Trust Provisions and do not affect their meaning.

References to people involved in setting up and running the Trust in the singular can mean one or more persons. So, for example, 'Settlor' can mean one Settlor or the Settlers. If the reference is in the plural, it can also mean one person.

Wherever the Trust refers to an English legal term for any action or remedy, judicial proceeding or legal document, legal status, court official or any legal concept and the Trust is subject to the jurisdiction of a country that is not England, then if the context requires, that English legal term shall be construed to be the relevant legal term that most closely approximates it in the relevant legal system.

1 Declaration of Trust

The Settlor hereby assigns to the Trustees the Policy and hereby declares that the Trust Fund shall be held upon the trusts and subject to the powers and provisions declared and contained in this Trust, except if the terminal illness benefit is retained as set out in Section C - The Declaration of Trust, any terminal illness benefit payable under the Policy shall be for the benefit of the Settlor absolutely and shall not be part of the Trust Fund.

2 Discretionary power of appointment (power to change the Trust)

- (a) Subject to the instruction for terminal illness benefit referred to in clause 1 of this Discretionary Trust Form, the Trustees shall hold the income and capital of the Trust Fund upon trust for the benefit of one or more of the Potential Beneficiaries at any time during the Trust Period in the shares and on the terms as the Trustees shall in their absolute discretion appoint. All appointments shall be by deed and may be stated to be revocable or irrevocable.
- (b) The Trustees may at any time by deed extinguish or restrict any future changes of the discretionary power of appointment.

3 Payment of income and capital

- (a) The income (if any) of the share of any Potential Beneficiary who is a Minor and is entitled to benefit from this Trust shall have his or her share of the proceeds and income (if any) held in trust on their behalf until such a time that they are no longer a Minor.
- (b) Where the Potential Beneficiary is a Minor, the Trustees may pay the full or part of the income of the monies held under trust for the benefit of the Minor in line with the Settlor's wishes and for the benefit of the Potential Beneficiary in accordance with clause 10 of this Discretionary Trust Form. Such monies may only be used towards the maintenance, education or health of the Potential Beneficiary who is a Minor. Section 32 of the Trustee Act 1925 shall apply to this trust as if the words "one half of" were omitted from section 32(a)(1).

4 Settlor and Excluded Person unable to benefit

No power or discretion conferred on the Trustees by this Trust or by law, either expressed or implied, may be exercised so as to cause or permit any part of the capital or income of the Trust to become payable in any way for the benefit of the Settlor or any Excluded Person.

5 Irrevocability

This declaration of Trust shall be irrevocable.

6 Number of Trustees and power to appoint new Trustees

- (a) There must be at least two Trustees appointed at any given time one of which must be a person who is not the Settlor.
- (b) The Settlor shall be vested with the power to appoint new Trustees during his life or so long as the Settlor is able to execute this power.
- (c) The Settlor hereby appoints the Additional Trustees to act with the Settlor and in line with the powers conferred upon them in this Trust. The Additional Trustees shall acknowledge their position and responsibilities bestowed on them by this Trust or any subsequent revisions of the Trust.

7 Power to remove Trustees and retirement of Trustees

- (a) The Settlor shall for so long as he is able to execute this power, have the power to remove any Trustee without giving reasons for doing so and without the need for other Trustees to agree or otherwise, provided there are at least two Trustees remaining after the removal has been completed.
- (b) A Trustee can be removed by the other Trustees where the Trustee who is being discharged of their duty cannot be found provided that:
- (i) None of the other Trustees have been in contact with the Trustee being discharged within the preceding twelve month period;
 - (ii) The other Trustees (one or more) have made reasonable efforts to make contact with the Trustee to be discharged; and
 - (iii) The discharge is made by deed executed by all of the continuing Trustees being at least two in number including at least one who is not the Settlor and a declaration is made in such deed that all reasonable efforts were made to contact the Trustee who cannot be found and that the continuing Trustees have written to the missing Trustee's last known address without success and that they have attempted to contact the missing Trustee through all other addresses given to them during their investigation.
- (c) A Trustee may retire provided that following the Trustee's retirement, there are at least two continuing Trustees. A Trustee's retirement shall take effect from the date of the notice of retirement sent in writing to the continuing Trustees.

8 Power to invest

Where monies are held by the Trustees for a period of time until distribution of the proceeds is possible, the Trustees shall have the power to invest such monies in an investment that will not be classified as a wasting asset and shall be easily accessible to enable prompt distribution when appropriate. The Trustees shall be entitled to move such monies as appropriate in order to make the investment.

9 Trust income

Any income accrued in relation to the Trust shall be paid or added to the Trust Fund for the benefit of the Potential Beneficiaries.

10 Distribution of assets

- (a) All Trustees must approve any distribution made under the terms of this Trust to Potential Beneficiaries.
- (b) The benefits from the Trust Fund may be paid to a Potential Beneficiary, and where the Potential Beneficiary is a Minor, to the parent, legal guardian or person with the legal capacity acting on behalf of the Minor who shall take receipt of the monies to be held for the benefit of the intended Potential Beneficiary who is a Minor and may provide a receipt in full discharge of the Trustees' duty.
- (c) The benefits from the Trust Fund may be paid to a treasurer or other person acting in an official capacity approved by the charity which has been identified as the recipient of such benefits.
- (d) The Trustees shall make a full discharge of monies payable to such person(s) under any policy forming part of the Trust. The Trustees shall pay the benefits after deducting any reasonable charges outlined in clause 11 of this Discretionary Trust Declaration Form.

11 Power to charge

- (a) A Trustee but not the Settlor engaged in a profession or business shall be entitled to charge and be paid all professional and other charges connected with their duty to act as Trustee and distribute the benefits. This charge shall be no greater than the Trustee's normal professional charges and may include expenses incurred through administration, professional opinion or peripheral expenses. Where a Trustee is not in a profession or business they shall be entitled to charge reasonable costs incurred in carrying out their Trustee duties.
- (b) A Trustee but not the Settlor shall be entitled to receive commission payments for professional and other services connected with their duty to act as Trustee and distribute the benefits. This charge shall be no greater than the Trustee's normal professional charges and may include expenses incurred through administration, professional opinion or peripheral expenses. Where a Trustee is not in a profession or business they shall be entitled to receive reasonable commission payments in carrying out their Trustee duties.
- (c) A corporate body acting as Trustee shall be entitled to charge fees in accordance with their normal professional charges for Trustee work. Such terms may be reviewed and agreed with the Settlor from time to time.

12 Power of appropriation

The Trustees may appropriate any part of the Trust Fund in or towards satisfaction of the interest of any Potential Beneficiary and may for such purposes place such value on any property as they think fit.

13 Power to add or exclude Potential Beneficiaries

The Trustees may add a class of persons to the list of Potential Beneficiaries and may add a person or class of persons to the Excluded Person list provided that such addition was requested in writing by the Settlor.

14 Power to vary administrative provisions

The Trustees may amend or add to the administrative provisions of this Trust provided such amendment or addition is by deed.

15 Power to delegate

The Trustees may, by acting jointly, delegate any power conferred on them by this Trust to any person who provides professional services in relation to the delegated power and such person shall exercise the delegated power on such terms as they think fit. The restrictions on delegation in sections 12 to 15 of the Trustee Act 2000 shall not apply.

16 Liability for breach of Trust

The liability of a Trustee for breaches of the Trust shall be limited to breaches arising from the Trustee's own fraud, wilful misconduct or gross negligence except in the case of a Trustee acting in a professional capacity. The Trustees shall not be liable for the default of a person acting under a delegated power pursuant to clause 15 of this Discretionary Trust Declaration Form provided they took reasonable care in the selection and supervision of such person.

17 No duty to consult

The Trustees may exercise their powers with absolute discretion and are under no duty to consult the Potential Beneficiaries or accept instructions from any Potential Beneficiaries.

18 Law

This Trust shall be governed by and construed in accordance with the law of England and Wales.

Section C: The Declaration of Trust

This declaration of trust is made on the

_____ day of _____ in the year _____

for

Plan number _____

Cover type _____

For example: YourLife Plan - Term assurance, YourLife Plan - Family Income Benefit.

between

1st life assured

Full name of policyholder _____

Full address of policyholder _____

2nd life assured (for joint life policies)

Full name of policyholder _____

Full address of policyholder _____

and

1st Trustee

Full name of Trustee _____

Full address of Trustee _____

2nd Trustee

Full name of Trustee _____

Full address of Trustee _____

3rd Trustee

Full name of Trustee _____

Full address of Trustee _____

4th Trustee

Full name of Trustee _____

Full address of Trustee _____

Potential Beneficiaries:

The Trustees may select anyone in the list below to receive benefits from the Trust

1. Any widow, widower of the Settlor
2. Any surviving Civil Partner of the Settlor immediately prior to the death of the life assured (providing they are not also a Settlor)
3. Any Children and any other direct descendents of the Settlor or Settlor(s)
4. The parents, brothers, sisters of the Settlor(s) and the Children of the other direct descendents of these persons
5. Any person(s) entitled under the will or intestacy of the Settlor(s)
6. Any person(s) or charity other than the Settlor(s) nominated as a beneficiary by the Settlor(s) by notice in writing to the Trustees
7. Any other person named below:

Beneficiary name

Address

Beneficiary name

Address

Beneficiary name

Address

Beneficiary name

Address

Terminal illness benefit to be:

 Retained by the Settlor, or Gifted to the Trust

(mark as appropriate)

Excluded Beneficiaries:

The following persons shall be excluded from being a Potential Beneficiary notwithstanding any other provision of this Trust

Excluded Beneficiary name

Address

Excluded Beneficiary name

Address

Excluded Beneficiary name

Address

Execution of Trust

THE SETTLOR SHOULD ENSURE HE/SHE HAS CAREFULLY READ THIS DISCRETIONARY TRUST DECLARATION FORM AND HAS TAKEN INDEPENDENT PROFESSIONAL ADVICE ON THE SUITABILITY AND TERMS OF THIS TRUST

Signed as a deed by the Settlor(s):-

First Settlor

Signature of Settlor

Witness

Signature of Witness

Full name

Address

Date / /

Second Settlor

Signature of Settlor

Witness

Signature of Witness

Full name

Address

Date / /

Signed as a deed by the Trustees:-

First Trustee

Signature of Trustee

Full name

Address

I the above named Trustee acknowledge and accept the appointment as Trustee

Witness

Signature of Witness

Full name

Address

Date / /

Second Trustee

Signature of Trustee

Full name

Address

I the above named Trustee acknowledge and accept the appointment as Trustee

Witness

Signature of Witness

Full name

Address

Date

□ □ / □ □ / □ □ □ □

Third Trustee

Signature of Trustee

Full name

Address

I the above named Trustee acknowledge and accept the appointment as Trustee

Witness

Signature of Witness

Full name

Address

Date

□ □ / □ □ / □ □ □ □

Fourth Trustee

Signature of Trustee

Full name

Address

I the above named Trustee acknowledge and accept the appointment as Trustee

Witness

Signature of Witness

Full name

Address

Date

□ □ / □ □ / □ □ □ □

Appointment of a company as a Trustee

To be used where a Trustee is a company.

Signed as a deed for and on behalf of:-

Name of Trustee company

Signature of Director

Signature of Director/Secretary

Date / /

The above named Trustee acknowledges and accepts the appointment as Trustee

**Fortis Life UK Limited
Registered Address**

5 Aldermanbury Square
London
EC2V 7HR

Telephone 0845 600 6820 (calls should cost no more than 5p per minute from a BT landline, networks may vary)

Registered in England and Wales
Number 6367921.

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EDCO 0079c 06/2008