

Beneficiary Trust – Step-by-Step Guide:

This Step-by-Step Guide provides guidance on how to complete each page of the Beneficiary Trust deed.

The Beneficiary Trust is a **'discretionary trust'** created upon the death of the last surviving **'relevant person'**. There is no trustee involvement until the trust is created. Therefore, the policyholder remains in complete control. It is **not possible** to use the Beneficiary Trust if the current policyholder is a trust or a company.

- The **relevant person** is the last surviving policyholder
- A **discretionary trust** is one that gives complete flexibility to the trustees as to who the benefits are paid to.

Be Aware

Policy issued under **'Life Assurance'** –

- If there is a surviving life assured the policy can **continue**. The trustees will take ownership of the policy and can either:
 - Hold the policy in the name of the trust and distribute benefits to the beneficiaries, or
 - Assign the policy into another individual's name
- If there is no surviving life assured the policy must come to an **end** and the trustee must distribute the trust fund to the beneficiaries or take out another investment in the name of the trust

Policy issued under **'Capital Redemption'** – the policy does not come to an end upon the death of the relevant person. The trustees will take ownership of the policy and can:

- Hold the policy in the name of the trust and distribute benefits
- Assign the policy into another individual's name
- Take out another investment in the name of the trust

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Part A (i) – Policyholder details

In this section the details of all current **policyholder(s)** are added.

PART A

(i) Plan details

Plan number (the plan)

Or Application dated
(if no plan number has yet been issued)

Plan owner (Relevant Person)
Full name

Joint plan owner (Relevant Person)

Date of birth (dd/mm/yyyy)

Country of birth

Country of residence for tax purposes

Tax Identification Number (TIN)

If unavailable, provide a functional equivalent (eg National Insurance Number, Social Security Number, resident registration number)

Are you a Specified US person? Yes No

Yes No

If you tick "Yes", please confirm your US TIN or SSN.

The definition of a Specified US Person can be found in the Notes section on Page 1.

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Part A (ii) - Appointing the 'Trustee(s)'

The details of all trustees to be appointed should be added:

(ii) Declaration of Trust and appointment of trustees

As owner(s) of the plan detailed in Part A, I/We appoint:

	Trustee 1	Trustee 2
Title (please tick)	<input type="checkbox"/> Mr <input checked="" type="checkbox"/> Mrs <input type="checkbox"/> Miss	<input checked="" type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Miss
	<input type="text"/> Other (in full)	<input type="text"/> Other (in full)
Full name	Jane Smith	Tom Jones
Current residential address and postcode (in full)	123 Beach View, Dubai, UAE	789 Beach View, Dubai, UAE
Date of birth (dd/mm/yyyy)	0 2 0 1 1 9 8 5	0 3 0 1 1 9 8 0
Country of birth	Spain	United Kingdom
Country of residence for tax purposes	UAE	
Tax Identification Number (TIN)	123456789	876541234
If unavailable, provide a functional equivalent (eg National Insurance Number, Social Security Number, resident registration number)		
Are you a Specified US person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If you tick "Yes", please confirm your US TIN or SSN.	<input type="text"/>	<input type="text"/>

The definition of a Specified US Person can be found in the Notes section on Page 1.

- Any individual (including a beneficiary) who is 18 years or over can be appointed as a trustee (with the exception of the policyholder).
- A 'company' or 'trust' can also be appointed as a trustee

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Part B (i) - Appointing a 'Named Beneficiary'

In this section the policyholder should select the name(s) of the individual(s) who they wish to benefit from the trust fund upon their death.

PART B

i) The Named Beneficiaries and the Appropriate Shares

The Named Beneficiaries and the Appropriate Shares means:

	Beneficiary 1	Beneficiary 2
Full name	Jane Smith	
Residential address	123 Beach View, Dubai, UAE	
Date of birth (dd/mm/yyyy)	0 2 0 1 1 9 8 5	
Appropriate Share	100 %	%

- A trust or a company can be appointed as one of the **Named Beneficiaries**;
- The total percentage of all **Named Beneficiaries** in Part B (i) must add up to **100%**.

In the above example the policyholder has selected Jane Smith as the 'Named Beneficiary' to receive 100% of the trust fund, this is the wife of the policyholder. Jane Smith is also one of the appointed trustees*.

Be Aware: As this is a Discretionary Trust, the trustees are **not** restricted to paying the trust fund only to the 'Named Beneficiary'. The trustees could also pay to anyone listed in the Schedule: **Page 5: Part B (iii)**.

The trust has a **perpetuity period** of 21 years. This means that if the trustees do not make any payments to the beneficiaries within 21 years, the trust fund will be paid to the individuals named in Part B (i), or Part B(ii) if all those in Part B (i) are deceased.

*Appointing the 'Named Beneficiary' as one of the trustees would provide some control as to who the trustees distribute benefits to on the 'discretionary' trust.

Part B (ii) - Appointing a 'Contingent Named Beneficiary'

The provision to select a 'Contingent Named Beneficiary' is **optional**. This option has been provided to give extra comfort to the policyholder. It allows the policyholder to provide additional direction to the trustees in case something happens to the 'named beneficiary' listed in **Part B (i)**.

The death of a Named Beneficiary under Part B (i) will increase the shares of the remaining beneficiaries.

(ii) Contingent Named Beneficiaries and the Appropriate Shares means;

	Beneficiary 1	Beneficiary 2
Full name	<input type="text" value="Adam Smith"/>	<input type="text"/>
Residential address	<input type="text" value="123 Beach View, Dubai, UAE"/>	<input type="text"/>
Date of birth (dd/mm/yy yy)	<input type="text" value="01"/> <input type="text" value="01"/> <input type="text" value="20"/> <input type="text" value="20"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Appropriate Share	<input type="text" value="100"/> %	<input type="text"/> %

The death of a Named Contingent Beneficiary under Part B (ii) will increase the shares of the remaining Named Contingent Beneficiaries.

- The total percentage of all **Contingent Named Beneficiaries** in Part B (ii) must add up to **100%**.
- A contingent named beneficiary cannot be appointed where a trust or a company is selected as the Named Beneficiary in Part B (i).

In the above example the policyholder has selected Adam Smith as the 'Named Contingent Beneficiary'. Adam Smith is the son of the policyholder. The policyholder would like his son to receive 100% of the benefit in the event that Jane Smith is unable to.

This situation could occur if the event that both the policyholder ('relevant Person') and the 'Named Beneficiary' were to die at the same time.

NB: Adam Smith as a 'child' of the Relevant Person is already included as a beneficiary in the schedule.

Page 5

Part B (iii) - The Schedule

The Schedule includes various classes who the trustees may also appoint benefit from the trust fund.

The policyholder is able to cross out certain classes that they do not wish to benefit, or add additional classes or individuals in the box provided.

iii) Schedule

Any child, grandchild or remoter issue of the Relevant Person

Any brother, sister or parent of the Relevant Person

Any surviving spouse/civil partner of the Relevant Person

Any person or class of persons identified here (please insert full name(s) and address(es))

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Children, grandchildren and issue of any person

References to children, grandchildren and the issue of any person shall include children, grandchildren and remoter issue whether legitimate, illegitimate or adopted

Civil partner, former civil partner and surviving civil partner of any person

References to a person's civil partner are to that person's civil partner within the meaning of the Civil Partnership Act 2004; references to a person's former civil partner are to a person who was that person's civil partner until their civil partnership was dissolved or annulled; and references to a person's surviving civil partner are to a person who was that person's civil partner immediately before that person's death.

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Part D: Signature Page

This is the signature page. The Beneficiary Trust deed must be signed by:

- The current plan owners and witnessed
- The Trustees and witnessed

The Beneficiary Trust is only created upon the death of the 'Relevant Person'. Therefore the policyholder remains in 100% control of the policy until their death.

The policyholder can:

- Revoke the Beneficiary Trust at any time,
- Submit a new Beneficiary Trust deed to replace an existing deed at any time.