



Trusts

What is a Trust?

A Trust is an arrangement whereby the legal owner or owners of property (including such things as land/property, shares and other investments, and cash/bank accounts) hold that property for the benefit of someone else. In this way the Legal ownership (Trustees) and the Beneficial ownership (Beneficiaries) are distinct.

Types of Trust

In a "Bare Trust" the Trustees simply hold the property on behalf of someone else and cannot do much more than hand the relevant property, or the income from it, to the Beneficiary or Beneficiaries.

- **Bare Trust**

To draw up your Will, we will need to know a number of key things about you, your circumstances and your wishes. Therefore, to make the process more straightforward, it is a good idea to have a think about your wishes prior to our first meeting.

We will need to know:

- The full name and address of all the people named in the Will.
- A list of any specific gifts that you wish to make.
- A list of any/all assets/liabilities that you may have.

- **Discretionary Trust**

In a "Discretionary Trust", on the other hand, the Trustees can decide how, when and why to transfer property to the Beneficiaries and can often decide exactly who the specific Beneficiary of specific property should be. This may be a wide ranging discretion or it may be selecting an individual Beneficiary from an identifiable class or group of Beneficiaries (e.g. this particular grandchild for his/her university tuition fees).

Trusts are not only for the use to the very wealthy. Everyone who writes their Will establishes a Trust; the Executors hold the estate of the deceased on behalf of the Beneficiaries of the Will. Often such Trusts will last only as long as the administration of the estate (that is the gathering in and distribution of the assets) but if any of the Beneficiaries are minors (under 18 years old) or if the Will makes specific Trust arrangements (e.g. "to my wife for life and then to my children") the Executors or Trustees appointed by the Will may need to administer the Trust for some time after the final distribution of the estate.

Who can set up a Trust?

Trusts may be set up by anyone at any time. A bank account held on behalf of children are Trusts and there are the many Trusts set up for specific reasons to provide income or capital to particular Beneficiaries in the future. There are as many potential Trusts as there are people, circumstances and possible Beneficiaries. Whilst establishing a Trust may be a sensible part of Inheritance Tax planning, it should be noted that there are many other good reasons for setting up a Trust.

What should I do next?

For further information about Trusts in general and/or drafting a Will, please contact Charles Neal, Partner,
on 0114 220 2169 or email c.neal@bellbuxton.co.uk

Other Services we offer

Trusts work is just one Personal Legal Services offered by Bell & Buxton Solicitors.

Additional services include:

- Lasting Power of Attorney;
- Care Costs and Preserving Personal Capital;
- Inheritance Tax;
- Wills;
- Charitable Trusts Advance Directives;
- Contentious Probate;
- Financial Abuse of the Elderly;
- Court of Protection work.

Personal legal services

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- Wills, Probate and Elderly Client
- Tax Planning and Trusts
- Contentious Probate, Elderly Client Abuse and Court of Protection
- Family, Matrimonial, Divorce and Cohabitation
- Property Disputes

Commercial legal services

- Company and Business Law
- Commercial Property and Business Premises
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- Debt recovery and Cash Flow Management
- Employment Law
- Intellectual Property
- Agricultural Law

For all Personal Legal matters, please contact Charles Neal, Partner,
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