

# Trust Fact Sheet



## What is a Trust?

A Trust is a formal transfer of assets from one person (Settlor) to another (Trustee). The Trustee is legally bound to look after the assets for those who are chosen by the Settlor to benefit (Beneficiaries).

The Settlor gives up legal ownership of the assets by putting them in a Trust, but the Trustee must follow the Settlor's wishes to manage the Trust responsibly, putting the interests of the Beneficiaries above anything else.

The details of the arrangement are laid out in a Deed of Trust document and the assets placed in the trust are called the Trust Fund.

## Why do you need a Trust?

A Trust allows you to control and safeguard your assets throughout your lifetime and after death:

- You can pass your assets onto the next generation immediately or when conditions in the Trust Deed are met, e.g. your children (Beneficiaries) reach a certain age or upon your (Settlor's) death.
- A Trust can be used to support someone who can't manage their money, so that their needs are looked after. However, they will not have ultimate control over the funds - you control this.
- You can set up a Trust to ensure that your own money is used to look after you if you ever can't look after yourself.
- Any income you make from the Assets protected within a Trust, e.g. rent or interest, are received into your bank account and you can release equity from the Trust at any time.
- The use of Trusts can minimise your Estate's inheritance tax (IHT) liability.
- Trusts can shield Assets against creditors who may pursue the Beneficiaries after your death.
- To protect your home from care fees you can establish a lifetime Trust.
- Trusts established after death can ensure that the inheritance you pass to your family is not lost to creditors or divorce settlement.

NSD Wills and Estates offer different types of Trusts. The kind of Trust you choose depends on what you want it to do. To talk to us about arranging a Trust, contact us on the details below.