



## Putting your Life Insurance in Trust

### Right money

You can use a Trust to give some or all of your Life Insurance benefits to your chosen beneficiaries.

This means that the benefits you give them won't be considered part of your 'Estate' when you die and won't therefore be subject to Inheritance Tax.

Inheritance Tax is currently payable at 40% on any part of your estate valued over £325,000. If you don't put your Life Insurance in Trust, any money it pays out is added to your estate value.

### Right hands

Trusts are flexible, which gives you control over who will receive the benefit (Beneficiary) when you die as well as who will administer the Trust for you (Trustee).

Without a Trust, the benefit will pay straight into the 'pot' that is your estate, and you lose the specific control to pass it to the people you want to receive it.

It is often a good idea for your 'Trustee' to be the same person/people who you have chosen to be the 'Executor' of your Will, as they can then administer both for you at the same time.

### Right time

A Life Insurance policy in Trust does not have to go through the process of 'Probate' (the reading and administering of your estate and Will) and as such won't encounter the delays that often come.

Probate takes on average between 4 and 8 months, so your beneficiaries would have to wait that long to receive the benefit of your Life Insurance.

The Trust avoids all of this, and allows the benefit to be paid out upon presentation of the claim and a death certificate, meaning the people who need that money get it fast.

Please complete this form in full, ensuring you include any middle names and Dates of Birth.

Name of Insurance Company/Companies

Policy No.

Policy No.

Policy No.

Policy No.

Policy No.

Policy No.

1. About You

Name

Address

D.O.B

Second Policy holder details (only if joint policy)

Name

Address

D.O.B

2. Who would you like the money to go to upon your death? i.e. partner, children etc.  
These are called the 'Beneficiaries'.

Name

Relationship  
to you

Address

Tel.

D.O.B

% you want  
them to receive

Name

Relationship  
to you

Address

Tel.

D.O.B

% you want  
them to receive

Name

Relationship  
to you

Address

Tel.

D.O.B

% you want  
them to receive

3. If you have Terminal or Serious/Critical Illness cover, would you prefer to receive the money yourself at the time of a claim, or be paid to one of the people named above?

Myself

Other

4. What would you like your trust to be called? For example, 'The Simon Jones Trust'.  
You don't have to name the trust if you don't want to.

Trust name

5. Who would you wish to be responsible for organising the handling of the Trust and making payments to the beneficiaries? These persons will be the 'Trustees' and need to be responsible people you can trust. You can name as many as you like but we suggest between 2 & 4 persons of a similar age to the policyholder.

Name

D.O.B

Telephone

Name

D.O.B

Telephone

Name

D.O.B

Telephone

Once we have received your completed form, our Estate Planning team will determine the most suitable Trust for you (usually one offered by your current Life Insurance company). We will then use the information you have provided here to complete the Trust forms for you, before posting them to you for signing and witnessing.

We will provide you with a pre-paid envelope for safe return. Once we have checked the completed Trust form, we will lodge it with your Life Insurer who will then return us the original Trust. It is best for you to keep the Trust deed with your Will so that your Trustee/Executor has quick and easy access to it upon your death.

If you have any questions, please do not hesitate to get in touch

[questions@claritywills.co.uk](mailto:questions@claritywills.co.uk)

**0845 034 5152**

[www.claritywills.co.uk](http://www.claritywills.co.uk)

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This information is for general guidance only and is based upon Clarity Wills' understanding and interpretation of UK Law and HMRC practice. We can't accept responsibility for our interpretation of the law or future changes to law or HMRC practice.

Inheritance Tax rates are subject to change and are correct at the time of printing. Independent legal and/or tax advice should be sought if you have any questions or concerns about putting your Life Insurance into Trust.