

# Discretionary trust

This draft declaration of trust has been drawn up based on our understanding of current law and HM Revenue & Customs practice. However, the trust is presented as a draft only and anyone intending to make a policy subject to a trust is strongly advised to consult their own legal and/or other professional advisers to ensure that the draft trust meets their requirements. This is of particular importance if benefits other than life protection benefits have been selected. Accordingly, Aegon cannot accept any responsibility for the consequences arising from the use of this draft.

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio CD version of this document, please call 03456 001 402 (call charges will vary) or visit [aegon.co.uk/onlineform](http://aegon.co.uk/onlineform)

## Important notes

1. If your protection policy is on a joint-life, first death basis, the Trustees will distribute any claim payments to the surviving Settlor if they survive for 30 days after the death of the first Settlor to die – not the Beneficiary(ies).
2. This trust will be governed by the laws of England and Wales.
3. For Personal Protection policies only. If your protection policy includes any of the benefits listed in **Part C section 1.9**, these will automatically be retained for the benefit of the Settlor(s). This means the Trustees will distribute any claim payments to the Settlor(s) rather than the Beneficiary(ies).

We strongly advise you consult a legal and/or other professional advisers to make sure that this trust meets your requirements before you set it up.

In particular, if you're looking to place a joint-life, first death policy into trust, and you're not married or in a registered civil partnership, you should seek advice on the implications of the surviving Settlor being entitled to any claim payments. The inheritance tax (IHT) position isn't straightforward in these situations and there's a possibility that an IHT charge could arise on the first Settlor's death.

## Completion notes

1. If you're applying for a new protection policy with us that you'd like to place in trust, you only need to complete **Part A**. The Settlor(s) and Trustees can sign **Part A of this form electronically** by typing their full name into the appropriate signature box or they can print the form out and sign their name using a ballpoint pen.
2. If you already have a protection policy with us which has started that you want to assign into trust, you only need to complete **Part B**. The Settlor(s) and Trustees can sign **Part B of this form electronically** by typing their full name into the appropriate signature box or they can print the form out and sign their name using a ballpoint pen.
3. Please read **Part C** carefully. This outlines the trust terms and powers, so it's important you make sure that the Trust you're setting up meets your requirements. Please read **Your guide to our discretionary trust** for more details. We strongly advise you consult a legal and/or other professional advisers for this.

## Contents

Part A – Setting up the trust with a new protection application	3
1. Declaration of Trust	4
2. Appointment of Additional Trustees	5
3. Attestation	6
Part B – Assigning an existing protection policy into trust	7
1. Declaration of Trust	8
2. Appointment of Additional Trustees	8
3. Attestation	9
Part C – Trust provisions	10
1. Definitions	10
2. Principal Trusts	11
3. Appointment, removal and resignation of Trustees	12
4. Trustees' powers	13
5. Trustees' remuneration and liability	14
6. Governing law	14

# Part A – Setting up the trust with a new protection application

---

## Completion notes

You can choose to complete **Part A** in one of the following ways:

- Complete **sections 1 and 2 electronically** by typing the details into the appropriate boxes, then each Settlor and Trustee can **sign section 3 electronically** by typing their full names into the appropriate signature boxes.
- Complete **sections 1 and 2 electronically** by typing the details into the appropriate boxes, then print out the form and each Settlor and Trustee can sign **section 3** using a ballpoint pen.
- Print the form out and complete all sections using a ballpoint pen, with **sections 1 and 2 completed in BLOCK CAPITALS**. All Settlors and Trustees must sign **section 3**.

The Settlor(s) and all Trustees must use **the same** method to complete this part of the Trust.

Please make sure you complete all relevant boxes in **sections 1, 2 and 3**, as leaving any blank could lead to your Trust being invalid.

If you choose to complete this part in ballpoint pen and you make a mistake, draw a line through it. All the Settlor(s) and Trustees must initial the change. Don't use correction fluid.

We've included margin notes to help you complete it. These are for guidance only and don't form part of the Trust.

Please send us a copy of the completed form in one of the following ways:

- Using our secure online form at [aegon.co.uk/onlineform](http://aegon.co.uk/onlineform) and selecting: **Protection** and **I have a general query**
- By email to [protect\\_support@aegon-service.co.uk](mailto:protect_support@aegon-service.co.uk)
- In the post to: Aegon Protection, Sunderland, SR43 4DJ

If contacting us by email, please don't include any personal, financial or banking information as email is not a secure method of communication. If you decide to send information in this way, you are doing so at your own risk as there is no guarantee that any email sent by you to us will be received or that it will remain private during transmission. If you're an intermediary and have access to Unipass Mailock, please use this service to send us emails securely.

## Important note

It's possible to hold more than one protection policy in this Trust, as long as the name(s) of the policyholder(s) is identical to the name(s) of the Settlor(s) of this Trust.

For example, if your protection policy is taken out in joint names, the Trust must be taken out jointly too.

You can't add a mixture of single-life and joint-life policies to the same trust. This means you need to take out separate trusts to hold any:

- Joint-life policies together in trust.
- Single-life policies relating to the first insured person together in trust.
- Single-life policies relating to the second insured person together in trust.

## 1. Declaration of Trust

---

You are the Settlor(s).  
Please write/type your full name(s) after 'I/We' and address(s) after 'Of'.

I/We
Of

(the Settlor), which expression, where expressly provided, shall include either of us, have applied to the Company for a Whole of Life and/or life protection Policy or Policies (the Policy) in terms of application dated (dd/mm/yyyy)

Insert the date of the Policy application. For online applications, this will be the date you submitted your online application.

Insert the Policy number(s) allocated when you submitted an online application.

and in the case of an online application have been identified with the following Policy number(s)

L
---

The Settlor **irrevocably declares** that the said Application(s) with this document (which forms an integral part of, and is treated as, incorporated therein for all purposes) is made with the intention that the Policy should, from its inception, be held by the Settlor and the additional Trustee or Trustees named in section 2 below on the trusts and the Trust provisions set out in **Part C** below.

The Settlor **directs** that in the Policy the Settlor shall be expressed to be the Policyholder of the Company and that the Policy shall be issued and delivered to the Settlor and the Additional Trustee or Trustees named in section 2 below to hold the Policy upon the Trust provisions set out in **Part C** below.

Where any Policy relating to the said Application(s) comes into force before the date of signing of this Declaration of Trust the Settlor confirms that they intend that the Policy shall be held on trust for the Beneficiaries named in **Part C** below and to the extent necessary assigns the Policy to the Settlor and the Additional Trustee or Trustees named in section 2 below to hold the Policy upon the Trust provisions set out in **Part C**.

## 2. Appointment of Additional Trustees

---

You as the Settlor(s) are automatically a Trustee of this Trust so there's no need to fill in your details here. Insert the full name(s) and address(es) of your Additional Trustee(s). We recommend you name at least two Trustees. A Trustee must be age 18 or over.

The Settlor appoints
Of
And
Of
And
Of
And
Of

as Trustee(s) to act jointly with the Settlor as Trustees of this Trust.

### 3. Attestation

---

By completing this Declaration of Trust, we, the Settlor(s) and each of the Additional Trustees (if any) appointed, sign this Declaration of Trust each by signing or typing our full names into the signature boxes below.

I/We, the Settlor(s) confirm that my/our typed or signed name(s) in the signature box will be my/our confirmation of intention to establish a trust over the Policy and to the extent necessary assign the Policy to the Trustees both on the terms of this Declaration of Trust.

Each Additional Trustee (if any), confirms that his/her/its typed or signed name in the signature box will be his/her/its signature, agreement to his/her/its appointment as Trustee and confirmation of willingness to act in that capacity.

This Declaration of Trust was signed on:

Insert the date this Trust is set up. This should be the date on which the last person signed or typed their name.

You must sign here as Settlor(s) by either typing in your name or using a ballpoint pen. You don't need to sign again as a Trustee(s).

Each of the Additional Trustees you've appointed must sign here by either typing their names or using a ballpoint pen.

Signed by the Settlor

X	X
---	---

Signed by the Settlor

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

## Part B – Assigning an existing protection policy into trust

---

### Completion notes

You can choose to complete **Part B** in one of the following ways:

- Complete **sections 1 and 2 electronically** by typing the details into the appropriate boxes, then each Settlor and Trustee can **sign section 3 electronically** by typing their full names into the appropriate signature boxes.
- Complete **sections 1 and 2 electronically** by typing the details into the appropriate boxes, then print out the form and each Settlor and Trustee can sign **section 3** using a ballpoint pen.
- Print the form out and complete all sections using a ballpoint pen, with **sections 1 and 2 completed in BLOCK CAPITALS**. All Settlors and Trustees must sign **section 3**.

The Settlor(s) and all Trustees must use **the same** method to complete this part of the Trust.

Please make sure you complete all relevant boxes in **sections 1, 2 and 3**, as leaving any blank could lead to your Trust being invalid.

If you choose to complete this part in ballpoint pen and you make a mistake, draw a line through it. All the Settlor(s) and Trustees must initial the change. Don't use correction fluid.

We've included margin notes to help you complete it. These are for guidance only and don't form part of the Trust.

Please send us a copy of the completed form in one of the following ways:

- Using our secure online form at [aegon.co.uk/onlineform](http://aegon.co.uk/onlineform) and selecting: **Protection and I have a general query**
- By email to [protect\\_support@aegon-service.co.uk](mailto:protect_support@aegon-service.co.uk)
- In the post to: Aegon Protection, Sunderland, SR43 4DJ

If contacting us by email, please don't include any personal, financial or banking information as email is not a secure method of communication. If you decide to send information in this way, you are doing so at your own risk as there is no guarantee that any email sent by you to us will be received or that it will remain private during transmission. If you're an intermediary and have access to Unipass Maillock, please use this service to send us emails securely.

### Important note

It's possible to hold more than one protection policy in this Trust, as long as the name(s) of the policyholder(s) is identical to the name(s) of the Settlor(s) of this Trust.

For example, if your protection policy is taken out in joint names, the trust must be taken out jointly too.

You can't add a mixture of single-life and joint-life policies to the same Trust. This means you need to take out separate trusts to hold any:

- Joint-life policies together in trust.
- Single-life policies relating to the first insured person together in trust.
- Single-life policies relating to the second insured person together in trust.

## 1. Declaration of Trust

---

You are the Settlor(s).  
Please write/type your name(s) after 'I/We' and address(s) after 'of'.

I/We
of

(the Settlor), which expression, where expressly provided, shall include either of us, effected with the Company the following Whole of Life and/or life protection Policy or Policies (the Policy).

Insert the Scottish Equitable plc Policy number(s).

Policy number(s)

L	L
---	---

Insert Policy start date(s). This Trust should be signed after the policy has started.

Policy start date(s) (dd/mm/yyyy)

--	--

The Settlor now intends that the Policy shall be held in trust for the Beneficiaries as defined in the Trust provisions in **Part C** below. The Settlor hereby assigns the Policy to the Settlor and Additional Trustee or Trustees named in section 2 below to hold the Policy upon the Trust provisions set out in in **Part C** below.

## 2. Appointment of Additional Trustees

---

You as the Settlor(s) are automatically a Trustee of this Trust so there's no need to fill in your details here. Insert the full name(s) and address(es) of your Additional Trustee(s). We recommend you name at least two Trustees. A Trustee must be age 18 or over.

The Settlor appoints
Of
And
Of
And
Of
And
Of

as Trustee(s) to act jointly with the Settlor as Trustees of this Trust.

### 3. Attestation

---

By completing this Declaration of Trust, we, the Settlor(s) and each of the Additional Trustees (if any) appointed, sign this Declaration of Trust each by signing or typing our full names into the signature boxes below.

I/We, the Settlor(s) confirm that my/our typed or signed name(s) in the signature box will be my/our confirmation of intention to establish a trust on the terms of this Declaration of Trust by assigning the Policy to the Trustees to be held in the Trust.

Each Additional Trustee (if any), confirms that his/her/its typed or signed name in the signature box will be his/her/its signature, agreement to his/her/its appointment as Trustee and confirmation of willingness to act in that capacity.

This Declaration of Trust was signed on:

Insert the date this Trust is set up. This should be the date on which the last person signed or typed their name.

You must sign here as Settlor(s) by either typing in your name or using a ballpoint pen. You don't need to sign again as Trustee(s).

Each of the Additional Trustees you've appointed must sign here by either typing their names or using a ballpoint pen.

Signed by the Settlor

X	X
---	---

Signed by the Settlor

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

Signed by the Additional Trustee

X	X
---	---

## Part C – Trust provisions

---

This part of the Trust outlines the trust terms and powers. It's important that you read these to make sure that the Trust you're setting up meets your requirements. We strongly advise you consult a legal and/or other professional advisers for this.

### Important notes

- If your protection policy is on a joint-life, first death basis, the Trustees will distribute any claim payments to the surviving Settlor if they survive for 30 days after the death of the first Settlor to die – not the Beneficiary(ies).
- This trust will be governed by the laws of England and Wales.
- For Personal Protection policies only. If your protection policy includes any of the benefits listed in **section 1.9**, these will automatically be retained for the benefit of the Settlor(s). This means the Trustees will distribute any claim payments to the Settlor(s) rather than the Beneficiary(ies).

## 1. Definitions

---

- 1.1 Accidental Death Benefit means any rights to accidental death benefits described in the application, key features document or any other relevant pre-contractual document.
- 1.2 Additional Trustee(s) means the person or persons named in this Declaration of Trust.
- 1.3 Civil Partner means an individual who is in a Civil Partnership with the Settlor (or either of them) at the date of the event which gives rise to the relevant payment under the Policy. Civil Partnership means a partnership which exists under or by virtue of the Civil Partnership Act 2004.
- 1.4 Company means Scottish Equitable plc.
- 1.5 Free Cover means any rights to free cover described in the application, key features document or the relevant policy conditions.
- 1.6 Gifted Benefits means any benefits arising under the Policy other than any Retained Benefits.
- 1.7 House Purchase Cover means any rights to house purchase cover described in the application, key features document or any other relevant pre-contractual document.
- 1.8 Beneficiaries means the following persons:
  - Any Spouse or Civil Partner who is married or in a Civil Partnership with the Settlor (or either of them).
  - Any children of the Settlor (or either of them) whenever born.
  - Any grandchildren or remoter issue of the Settlor (or either of them) whenever born.
  - Any persons to whom any Beneficiary in classes b or c above shall be or shall have been married or with whom they shall or shall have been in a Civil Partnership.
  - Any person(s) (other than the Settlor (or either of them)), including Trustees, nominated by the Settlor and whose name(s) has/have been notified to the Trustees in writing by the Settlor as being a possible recipient of the Trust Fund.
  - Any person other than the Settlor (or either of them) beneficially entitled under his Will/the Will of either of them or in accordance with the rules relating to intestacy to any interest in his/their estate.
- 1.9 Retained Benefits means such one or more of the following benefits (if any) which are provided under the Policy in accordance with its terms and conditions:
  - Critical illness protection
  - Critical illness family income benefit
  - Total permanent disability benefit
  - Reducing critical illness protection
  - Income protection
  - Any additional benefits payable as a result of having one of the above benefits

## 1. Definitions – continued

---

- 1.10 Spouse means the person to whom the Settlor is legally married.
- 1.11 Trustees means the Settlor(s) and the Additional Trustee(s) appointed by this Declaration of Trust or the trustees for the time being hereof.
- 1.12 Trust Fund means the Accidental Death Benefit, Free Cover, House Purchase Cover, the Policy, the full benefit of the Policy and all property at any time held by the Trustees upon the trusts created by this Declaration of Trust whether by way of further settlement, accumulation of income, capital accretion or otherwise and all property from time to time representing the foregoing respectively, but excluding any rights to the Retained Benefits (as defined above) and any property from time to time representing the Retained Benefits.
- 1.13 Trust Period means the period of one hundred and twenty five years from the date of this Declaration of Trust (which period, shall be the perpetuity period for the purpose of this Trust).
- 1.14 Children and grandchildren shall include adopted children whether adopted before or after the date of this Declaration of Trust and illegitimate children.
- 1.15 Where the context of the Trust permits, words importing the singular shall include the plural and the masculine shall include the feminine and vice versa.
- 1.16 Any direct or indirect reference to marriage includes a relationship between persons of the same gender which is recognised by the law in any part of the United Kingdom.

## 2. Principal Trusts

---

### A. Retained benefits (relevant for Personal Protection policies only)

- The Retained Benefits and the income from them shall be held upon trust for the absolute and indefeasible benefit of the Settlor.

### B. Gifted benefits (all policies)

- The Trustees shall, subject to section D below, hold the Trust Fund, and the income from it, on such trusts and provisions in favour of such one or more of the Beneficiaries as the Trustees may appoint during the Trust Period. The trusts, powers and provisions may include protective and discretionary trusts and powers operative or exercisable at the discretion of the Trustees or any other person(s). The appointment of benefits from the Trust Fund by the Trustees must be by deed (or deeds) and may be revocable (whether by the person(s) making the deed or some other person(s)) or irrevocable.
- If no appointment is made under paragraph i of this section 2B during the Trust Period or so far as any such appointment shall not extend or fail for any reason, the Trustees shall hold the Trust Fund in trust for the children of the Settlor alive at the date of this Declaration of Trust and if more than one in equal shares failing which for such charity or charities as shall be determined by the Trustees.
- The Trustees may in their absolute discretion at any time or times during the Trust Period transfer the whole or any part or parts of the Trust Fund to the trustees of any trust so that such transferred property shall be held on the trusts and with and subject to the powers and provisions of such trust provided that the Trustees are satisfied such transfer is for the benefit of one or more of the Beneficiaries.
- Unless section D below applies, the Settlor (or either of them) shall not be capable of benefiting from the Trust Fund.

### C. Trust Income

Subject to paragraph i of section 2B:

- The Trustees may accumulate the whole or part of the income of the Trust Fund during the Trust Period. Such income shall be added to the Trust Fund.
- The Trustees shall pay or apply the remainder of the income to or for the benefit of such of the Beneficiaries, as the Trustees think fit, during the Trust Period.

## **2. Principal Trusts – continued**

---

### **D. Survivorship**

Where the policy is on a joint-life, first death basis, the Trustees shall hold the Trust Fund, and the income from it, for the surviving Settlor absolutely, if he or she is alive 30 days after the death of the first Settlor to die.

## **3. Appointment, removal and resignation of Trustees**

---

- 3.1 The Settlor shall, during his lifetime, have the power to appoint new or Additional Trustees. If there are two Settlors, they must exercise this power of appointment jointly and the survivor of them shall continue to have the power if one of them dies. After the Settlor's death (or the death of the surviving Settlor if there are two), the Trustees shall have the power to appoint new or Additional Trustees.
- 3.2 The Settlor shall also have the power to remove a Trustee, as long as there is either a corporate body or at least two individuals remaining to act as Trustees after such removal, at least one of whom not being a Settlor. Any such removal must be carried out by deed. If there are two Settlors, they must exercise this power of removal jointly. The survivor may exercise the power alone after the death of one of the Settlors.
- 3.3 Any Trustee may resign office at any time notwithstanding any benefit under the trusts provided that no such resignation shall take effect unless immediately after it (whether by virtue of a new appointment by the same or simultaneous instrument or otherwise) there will be either a corporate body or at least two individuals to act as Trustees hereof (at least one of whom is not one of the Settlors).

Any such appointment of new or Additional Trustees, or removal of a Trustee or resignation of a Trustee must be in writing. The Company shall not be bound by any change, addition, appointment or resignation of a Trustee until notice in writing of such change, addition, appointment or resignation is received at its Head Office.

## 4. Trustees' powers

---

The Trustees shall have the following powers and any money received by the Trustees as a result of the exercise of their powers must be held by them subject to the terms of this Trust.

- 4.1 The Trustees shall have the power to exclude any person or persons from being a Beneficiary under this Trust. Once excluded, such persons shall cease to be and shall not be able to become a Beneficiary either by nomination by the Settlor, or under the Will or under the intestacy of the Settlor, or by being the Spouse of the Settlor (or, in each case, of either of them). Any such exclusion of a Beneficiary must be carried out by deed (or deeds) revocable during the Trust Period or irrevocable. Any such deed or revocation of it can only be made by the Trustees if at least one Beneficiary will remain after it has taken effect. No such deed or revocation of it shall affect the entitlement of any person so excluded from being a Beneficiary to any benefit previously conferred on him.
- 4.2 The Trustees may exercise full powers of:
  - Borrowing upon the security of the Trust Fund or part thereof.
  - Cashing in or converting the Policy into a paid-up Policy (if the Policy has a cash in or paid up value).
  - Otherwise dealing with the Policy or other assets including the exercise of any options under the Policy held on trust, in all respects as if they were the absolute beneficial owners of the Policy.
- 4.3 The receipt by the Trustees of any money payable under (or deriving from) any dealing with the Policy shall be a full and sufficient discharge to the Company who shall not be concerned to see to the application of any such money.
- 4.4 Any money for the time being representing the Trust Fund may be invested or applied in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate and whether producing income or not, including investment in life assurance policies and the purchase or improvement of real property, and whether involving liability or not or upon such personal credit with or without security as the Trustees may in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and varying investments in all respects as if they were absolutely and beneficially entitled to the Trust Fund free from any obligation to diversify investments.
- 4.5 The Trustees may at any time or times advance, apply or pay, freed from the trusts in this Declaration of Trust, any part or parts or the whole of the Trust Fund or property otherwise held on these trusts to any Beneficiary who is entitled absolutely or contingently to such part or parts or the whole.
- 4.6 The Trustees shall at their discretion have power to pay the parents (or either parent) or any guardian of any minor Beneficiary any sum of income intended to be applied for the maintenance or education or benefit of that minor or any sum of capital to be applied for the advancement or benefit of that minor, so that the receipt of such parent or parents or guardian shall be complete discharge to the Trustees.
- 4.7 The Trustees shall have power to lend any monies comprising part of the Trust Fund to any one or more of the Beneficiaries either interest-free or at such rate of interest as they determine and upon such terms and conditions as to security (if any) repayment and otherwise as they think fit. For the avoidance of doubt it is hereby declared that no loan may be made to or for the benefit of the Settlor (or either of them).
- 4.8 The Trustees shall have power, revocably or irrevocably, to delegate any power or powers in making, managing, realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons (other than the Settlor or either of them) upon such terms as to remuneration or otherwise as the Trustees may think fit. No Trustee shall be responsible for the default of any such agent if the Trustee in question employed or incurred expense in employing him in good faith.
- 4.9 The Trustees shall have power to transfer any part of the administration of the Trust outside the United Kingdom. Any persons who are resident outside the United Kingdom may be appointed Trustees of this Trust.

## **5. Trustees' remuneration and liability**

---

- 5.1 Any Trustee, other than the Settlor (or either of them), who shall be a solicitor or an accountant or engaged in any profession or business shall be entitled to and be paid all usual and proper professional and other reasonable charges for any business or work done by him or his firm in relation to the trusts in this Declaration of Trust.
- 5.2 No Trustee shall be liable for any loss to the Trust Fund arising by reason of any investment made in good faith or by reason of any mistake or omission made in good faith by any Trustee or by reason of any other matter or thing except wilful and individual fraud or wrongdoing on the part of the Trustee who is sought to be made liable.

## **6. Governing law**

---

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



Aegon is a brand name of Scottish Equitable plc. Scottish Equitable plc, registered office: Edinburgh Park, Edinburgh EH12 9SE. Registered in Scotland (No. SC144517). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 165548. © 2023 Aegon UK plc

PROT390411 06/23