Wills-etc

Vulnerable Person's Trust

Protecting Disabled Children and Adults in your Will

John has Downs Syndrome. His parents want to make Wills but are not sure what to do. What option would you choose?

OPTION 1	OPTION 2	OPTION 3
Make a Will and leave it all to John's sister.	**Leave it equally to John and his sister.**	**Include a Vulnerable Person's Trust in their Wills**
John's parents are relying on his sister to look after John for the whole of his life. What if… • She gets into debt • Spends the money • Gets divorced • Dies or becomes incapacitated	John receives his share but can't manage his money. John is at risk of being exploited by others. Means-tested benefits and care funding will be stopped if they exceed personal allowances. Personal support that is relied upon may be stopped. A court order will be needed to manage John's money.	John's parents choose people they trust to act as Trustees. Trustees will protect the Trust Fund and decide how to use it. John's benefits and support can continue. Money held on Trust is not included in means-testing assessments. The need for a court order may be avoided as Trustees will look after the trust fund.
This has several risks.	**Inheriting money directly can cause major problems for vulnerable beneficiaries.**	**A Vulnerable Person's Trust offers many safeguards that can give you peace of mind.**

WILLS ETC

Take action to protect your loved ones.

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■ CALL TODAY
01483 564 833

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■ EMAIL
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■ BOOK
Book a Home Visit / Zoom meeting.
www.wills-etc.co.uk

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Vulnerable Person's Trust

FREQUENTLY ASKED QUESTIONS

What are the tax advantages of a Vulnerable Person's Trust?
Inheritance Tax: No ten-year anniversary or exit charges during the lifetime of the vulnerable person.

Income Tax and Capital Gains Tax: Trustees can claim a reduction in the tax paid by the Trust.

Who can benefit from a Vulnerable Person's Trust?
To qualify for special tax treatment, the main beneficiary must be:

1. Incapable of managing property or finances due to mental disorder (Mental Health Act 1983)
   or
2. In receipt of any of the following benefits:

- Attendance Allowance,
- Disability Living Allowance (higher or middle rate of care component),
- Personal Independence Payment (standard or enhanced rate for 'daily living activities'),
- Constant Attendance Allowance,
- Armed Forces Independence Payment or
- Increased Disablement Pension.

HMRC include people with Autistic Spectrum Disorders, learning disabilities (such as Downs Syndrome), Schizophrenia, Bi-Polar Disorder and Dementia.

Who can I choose to act as Trustees?
Your trustees can be family or friends who are willing to take on this responsibility and act together. Alternatively, you may prefer to appoint a professional trustee for their neutrality and expertise.

What can the Trust Fund be used to pay for?
Your Trustees have flexibility to make decisions at the time about how the trust funds are used and invested. Examples include paying for additional support, home improvements, holidays and hobbies as well as expenses for professional advice that may arise when managing the trust.

You can guide your trustees by providing a letter of wishes to express any views you may have.

Can anyone else benefit from the Trust?
The primary beneficiary of the trust will be the Vulnerable Person but you will also need to name at least one other person or group of people (e.g. my grandchildren) or charity who can potentially benefit from the trust. The trustees will use their discretion based on needs at the time.

For the special tax treatment to apply, there are limits on how much others can benefit annually.