



## DISCRETIONARY TRUST DEED

For use with either your single life or joint lives Cavendish Life Policy where the discretion is to be left to the Trustees as to whom, from the nominated list, will benefit from the funds.

### IMPORTANT NOTES - BEFORE COMPLETING THIS DEED, PLEASE READ THE FOLLOWING NOTES

Your Cavendish Life Policy is underwritten by Scottish Friendly Assurance Society who is the Life Insurance Company from whom you have bought the policy.

By completing and signing this Discretionary Trust Deed ("Trust Deed") you are transferring the ownership of your Cavendish Life Policy to your chosen Trustees so that they legally own the policy, although it is your life that remains insured. **This means that you are placing the Policy into Trust.**

Once the Trust Deed has been completed, please return to **Cavendish Online**. We in turn will pass this on to Scottish Friendly who will attach the amendment to your policy.

Once a Trust has been created you cannot simply cancel it. You are advised to take advice from a Solicitor and Accountant before you proceed with using this Trust Deed. This is because:

- Creating a Trust can have legal as well as taxation consequences.
- Once the Trust has been created it cannot be revoked (ie cancelled).
- The Trustees will have a special duty to the Discretionary Beneficiaries and the misuse of a trust power by a Trustee can make them personally liable for any resulting loss to the beneficiaries.

Neither Cavendish Online Ltd nor Scottish Friendly Assurance Society accepts any responsibility for ensuring that the Trust created by this Trust Deed meets your requirements.

The Trust Deed and these notes in relation to its use are for general guidance only and are based on our current understanding of the legislation as it applies in the United Kingdom and HM Revenue and Customs ('HMRC') practice. Both are likely to change in the future and a liability may arise under an existing arrangement. Although Cavendish Online Ltd has taken every care to ensure accuracy, our interpretation may be subject to challenge from HMRC or other regulatory bodies and neither Cavendish Online Ltd or its representatives or advisors can accept responsibility for loss, however caused, suffered by any person who has acted or refrained from acting as a result of material published by Cavendish Online Ltd.

Please note that once the Trust has been created, instructions can only be accepted from Trustees who have had their identities verified. We may need to also confirm the identity of other individuals relating to the Trust. We may do this by using reference agencies to search sources of information; this will not affect credit ratings. If this identity search fails, we may ask the parties for documents to confirm their identities. By signing this Trust Deed, all parties have consented that we can verify their identity and that, if required, the Trustees will take all reasonable steps to obtain evidence of identification for any of the beneficiaries of the Trust.

**Once signed, a copy of all pages of this Trust Deed must be returned and assigned to your policy in order to effect the Trust. You should not send us the original Trust Deed. The original Trust Deed should be kept with your Cavendish Life Policy documents. If a claim is made, the original Trust Deed and any other Trust papers (such as Deeds of retirement and appointment of Trustees) must be produced before payment can be made to the Trustees.**

**Please send your completed form to  
Cavendish Life Trust Team, Cavendish Online Ltd, 20 Cathedral Yard, Exeter, EX1 1HB**

# TRUST DEED

Please Use BLACK INK and BLOCK CAPITALS. Do not use correction fluid on this Trust Deed.

## 1. DATE OF THE TRUST

This Trust Deed is made on:  Date  Month  Year

## 2. YOUR DETAILS

This Trust Deed is made between:

(a) The First Policy Holder

Full Name:

Address:

And The Second Policy Holder (if applicable)

Full Name:

Address:

Either singularly or collectively (as appropriate) referred to as "the Policy Holder" throughout this Deed, and (b) the trustees referred to in section 3.

## 3. THE TRUSTEES

Your Trustees are the people you choose to appoint to receive the death benefits payable under your Cavendish Life Policy and to distribute those benefits in accordance with your wishes as per this Trust Deed.

You will automatically be one of the Trustees however, because the death benefits are only payable after you have died (or after the first death in the case of a joint life Cavendish Life Policy), you need to appoint up to four additional Trustees who will still be living and able to distribute the death benefits under the terms of this Trust Deed (see section 4 below as to how they will distribute those death benefits).

Your chosen Trustees must be over the age of 18 and can also be a beneficiary of the Trust. For example, your spouse could be both a Trustee and a beneficiary.

The Trustees are:

(a) The Policy Holder

(b) 1st Trustee's details:	(c) 2nd Trustee's details:	(d) 3rd Trustee's details:	(e) 4th Trustee's details:
Name:	Name:	Name:	Name:
Address:	Address:	Address:	Address:

#### 4. THE POLICY TO BE TRANSFERRED INTO TRUST (the Policy)

POLICY NUMBER

Life Assurance Company – Scottish Friendly Assurance Society

#### 5. DECLARATION OF TRUSTS

This section sets out what the Trustees can do with the death benefits payable under the terms of your Cavendish Life Policy following your death.

The wording of this section gives your Trustees complete discretion to decide who to make payments to (from your prescribed list of individuals referred to as being your Beneficiaries), when those payments should be made and how the death benefits should be divided between the Beneficiaries. There is no obligation on your Trustees to treat your Beneficiaries equally or to make the payments at any particular time.

So, for example, they could decide to pay all the death benefits to one Beneficiary to the exclusion of all others or could decide to include all Beneficiaries but for each to receive a different amount.

It is important, therefore, that your Trustees understand your intentions and we suggest you do this by writing a letter to them setting out who you would like to receive the death benefits, in what proportions and when.

During the Trust Period, the Trustees are to hold the death benefits of the Policy and the money, investments and property from time to time representing those benefits (the Trust Fund) upon trust for the benefit of the following beneficiaries (collectively the Beneficiaries) in such proportions and on such terms as they shall in their absolute discretion think fit including the creation of discretionary trusts with or without dispositive powers or administrative powers, exercisable by any person.

The Beneficiaries are:

- The Policy Holder's Spouse/Civil Partner at the date of death subject to the condition that they shall survive the first Policy Holder to have died by a full period of 30 days.
- The Policy Holder's Children, grandchildren and great-grandchildren.
- Any other person specifically listed below:

If you intend for a co-habiting partner, former spouse, former civil partner, step-children, foster children, people from wider family groups such as nieces, nephews, brothers and sisters etc, you should include their details here. **If in doubt, list a person specifically.**

Additional Beneficiary's full name	Additional Beneficiary's address	Additional Beneficiary's date of birth

If you need extra space for additional beneficiary details please continue on a separate sheet and secure that additional sheet to the Trust Deed.

## 6. POLICY HOLDER NOT TO BENEFIT

The Trustees shall not in any circumstances use their powers under section 5 of this Trust Deed for the benefit of the Policy Holder or, during the Policy Holder's lifetime, their spouse or civil partner.

## 7. TRUSTS OF TERMINAL ILLNESS BENEFITS

If indicated by way of signature by the Policy Holder below, in addition to the Trust Fund, the Policy Holder also gives any terminal illness benefit payable under the Cavendish Life Policy (whether the benefit relates to the terminal illness of the Policy Holder or dependant of the Policy Holder) to the Trustees to hold for the benefit of the Beneficiaries upon the same trusts as set out in Section 5 above.

Only sign here if you want the terminal illness benefits to be paid over to your Beneficiaries.

**Do not sign here** if you want to receive the money yourself.

Signature

## 8. ADMINISTRATIVE PROVISIONS

The standard provisions and all of the special provisions of the Society of Trust and Estate Practitioners (2nd Edition) [1] shall apply to the Trusts set out in this Trust Deed.

## 9. SIGNATURES

**Signed and delivered as a Deed by the said** (First Policy Holder)

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness:

**Signed and delivered as a Deed by the said** (Second Policy Holder if applicable)

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness:

[1] [www.step.org/sites/default/files/Comms/SSP2\\_rebrand.pdf](http://www.step.org/sites/default/files/Comms/SSP2_rebrand.pdf)

**Signed and delivered as a Deed by the said (Trustee 1)**

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness:

**Signed and delivered as a Deed by the said (Trustee 2)**

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness:

**Signed and delivered as a Deed by the said (Trustee 3)**

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness:

**Signed and delivered as a Deed by the said (Trustee 4)**

Full Name

Signature

In the presence of:  
Signature of witness

Full name and  
address of witness: