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Benefits of **Trusts**

Making sure **the right people benefit**

The protection cover you choose will often be to support your family and loved ones should the worst happen. The use of a suitable trust is one way in which you can help to ensure the right people benefit from your policy at the right time.

- **A trust allows you to indicate who you would like to see benefit from your policy**
- **You choose the specific people who will benefit, defining how and when they are able to receive a payment from the policy**
- **A trust can give you the flexibility to amend the people who will benefit, allowing the trust to adapt to changes in your life**
- **With Aviva's trusts you can select yourself and other individuals to act as trustee(s) – making them legally responsible for the trust and its administration.**

You want to be sure that the right people will benefit from your policy at the right time. You can help ensure this by putting your policy in trust for no extra cost.

Why choose a trust?

Compared to leaving life cover benefit in a will or through intestacy (when someone dies without a will), a trust provides greater certainty around who benefits, saving time and reducing worry. Here are some further points to bear in mind when considering a trust:

Fast and efficient payment

A claim on a life policy is likely to be made at a stressful time for the family, with both emotional and administration issues to be taken on board. A trust means the life cover benefit can be paid to the trustees and provided to the beneficiaries straight away, so that their financial position can be supported and they can focus on the future. Once we have approved the claim we can pay the proceeds to the trustees simply on production of the death certificate, a copy of the trust and any relevant Deeds of Appointment.

If the policy were not under trust, in the case of a life claim, we would need to receive the grant of probate or letters of administration. This can take several months.

Reducing Inheritance Tax (IHT) liability

When a policy is written in trust, premiums are normally treated as gifts for inheritance tax purposes and can usually be covered by exemptions. The proceeds will not form part of the deceased's estate, where inheritance tax becomes payable on taxable assets over £325,000 (tax year 2020/2021).

For flexibility and a degree of control

The trustees you choose are able to decide who benefits from a wide range of potential beneficiaries, including the family, at what time and in what shares. To help the trustees, you can give them written guidance as your wishes or intentions change.

Note: This information has been based on our understanding of current law and tax regulation, which may change at any time.

The **importance** of **advice**

Your financial adviser will be able to give you advice on the benefits of writing your policy in trust. If you decide that a trust is the best way forward, they can advise you on the most suitable trust based on your needs. Your adviser may charge a fee for advice.

Even if you do not use a trust at the outset, the good news is that we can provide specific versions of these trusts for use with existing policies.

Further information and support

For further information on the products and services Aviva provide, please speak to your financial adviser.

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