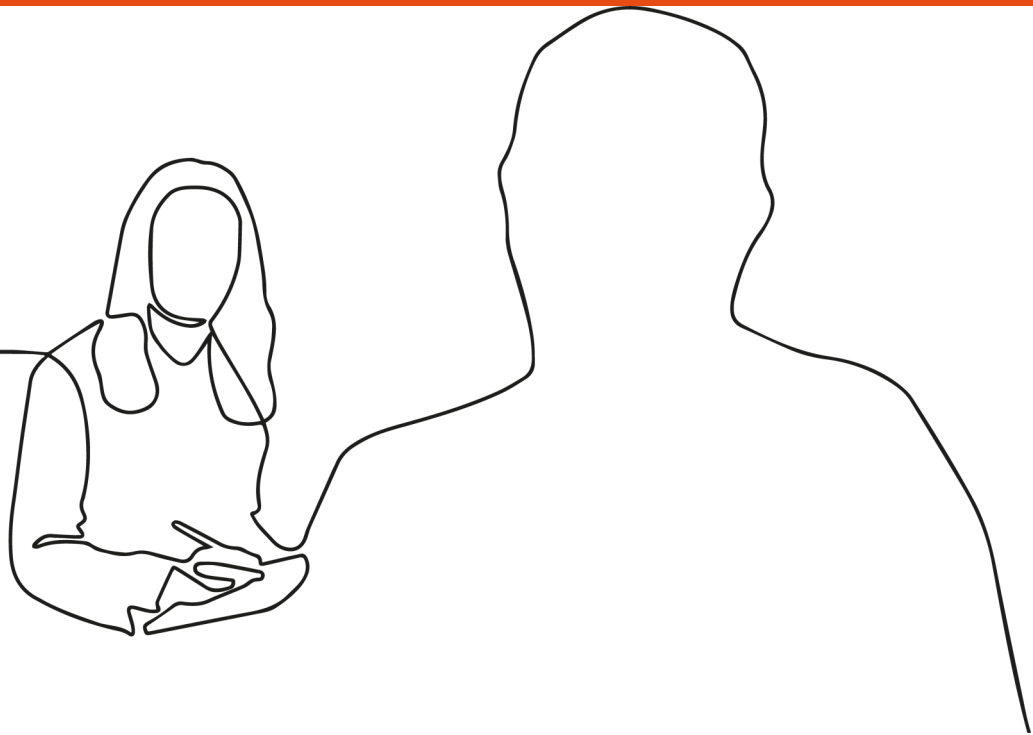


THOMPSONS SOLICITORS SCOTLAND

Glasgow - Edinburgh - Dundee - Peebles

PERSONAL INJURY & DISCRETIONARY LIFETIME TRUSTS



TALK TO THOMPSONS

To protect assets and maximise your legacy we can help you set up a Trust that is suited to your unique circumstances and requirements.

TRUSTS

Many people are unfamiliar with the concept of a "Trust". It is however a relatively simple legal concept whereby property is owned and managed by one party - the trustees - for the benefit of others - the beneficiaries.

People make a Trust for many different reasons, for instance to protect a compensation payment, fund school fees, protect assets from erosion via divorce, to ensure beneficiaries inherit at a time that is right for them, the options are varied and to a point limitless.

Each Trust can have different terms, tax treatments and rules that dictate how administration of the trust is required.

At Thompsons our solicitors have the knowledge and experience to offer you clear and practical legal advice when creating a Trust ensuring you make the most suitable choice for what you seek to achieve.



PERSONAL INJURY TRUST

Talk To Thompsons

A personal injury trust is a trust vehicle which holds funds paid as compensation to someone who has suffered a personal injury.

Following a personal injury, you may find it difficult to return to work and in some circumstances, may never be able to work again.

As a result, you may be entitled to claim certain benefits and local authority support to make your daily life easier. Many benefits are means tested, which means that any damages that you receive beyond the benefit threshold can be taken into account when assessing your eligibility to start or to continue to claim means tested benefits.

A Personal Injury Trust is given special status within benefits legislation and ensures that entitlement to means tested benefits and local authority support are preserved. Personal Injury Trusts allow funds held within the trust to be 'disregarded'. This means that eligibility to benefits such as income support, housing benefit and so forth will not be affected by the compensation.

If you have received compensation and do not set up a Personal Injury Trust, it is likely that your entitlement to means tested benefits will be affected, if not stopped.

Aside from protection of means tested benefits, a Personal Injury Trust can be of use in other circumstances. For example:

- If you do not have much experience dealing with large sums of money or are overwhelmed at the prospect;
- If you are worried about third parties, such as family or friends, influencing your spending;

- If you have a disability and struggle to manage your funds

When funds are held within a trust, they will also be disregarded for any assessment of residential care and may offer some protection for financial assessment of care at home. Please note however, no guarantee can be made as to whether placing compensation funds into a trust will ensure you receive free care. The local authority will always consider your case on its own merits.



DISCRETIONARY LIFETIME TRUST

Talk To Thompsons

This type of Trust is normally set up by individuals or couples, with a view to protecting assets from various risks including executry costs, sideways disinheritance, family claims and residential care fees, or a range of other risks including bankruptcy and divorce.

Discretionary trusts can be very useful in a number of circumstances. They can be tailored to suit the needs of you and your family.

A Discretionary Lifetime Trust can hold any type of asset, but commonly will hold residential property, cash, and/or investments.

The trustees you appoint will have control and discretion over when to release a beneficiary's inheritance, it enables you to potentially leave assets to people who:

- Cannot manage their own affairs, perhaps because they are not old enough or they do not have the legal mental capacity
- Are in receipt of means tested benefits and would lose these benefits if they inherited a lump sum of money outright
- Are at risk of wasting their inheritance, perhaps because they have an addiction or mental illness
- Are in a relationship with someone that you feel may influence or exercise control over any inheritance if they received it outright
- Are financially irresponsible

In some situations, you can also request that a beneficiary's share is only released in certain circumstances.

A discretionary trust gives trustees the power to decide how much beneficiaries get from a trust and when they get it. All capital and income is distributed completely at their discretion. This means there's more flexibility and assets can be protected if circumstances change for any reason.

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For more information visit:

[TalkToThompsons.com](https://www.talktothompsons.com)

Thompsons Solicitors Scotland are regulated by The Law Society of Scotland and have offices throughout Scotland.