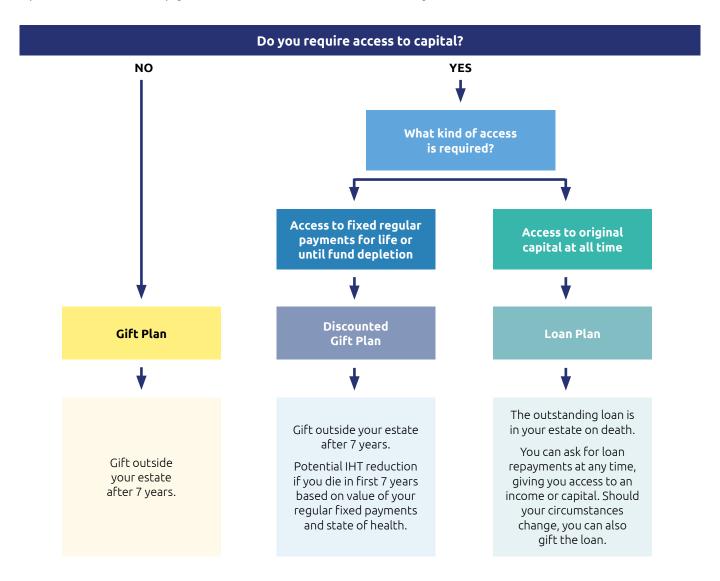


Trust Decision Tree

(this document should only be used by clients with their financial adviser)

Trusts are very useful in estate planning. By setting up a trust, it can provide you with flexibility over who receives the trust assets and when. Different trusts have different features, each with their own unique combination of flexibility, capital access and tax implications. Follow the options below to help you select one that works best for you.



Features of Gift Plan, Discounted Gift Plan and Loan Plan

- Any investment growth is immediately outside your estate for IHT purposes
- Choice of Absolute or Discretionary Trust
- Invest in new offshore and onshore bonds (Gift Plan can also be accessed through mutual funds and existing bonds)
- In the event of your death, payment can be made without the need for probate/confirmation

Absolute, Flexible or Discretionary Trust?

Are you certain about naming who benefits? YES

Are you happy for your Beneficiaries' share of the trust property to form part of their taxable estate?

YES

Do you want the gift to be a PET and the trust to be free of periodic/exit charges?

YES

Do you want the Trustees to have control over who benefits and when?

YES

Are you likely to want to alter Beneficiaries in the future, for example to add future grandchildren?

YES

Do you want to ensure that the trust property is not treated as being in the Beneficiary's estate?

YES

The above information is based on Standard Life's current understanding of law and HM Revenue & Customs practice as at March 2024. Legislation and taxation could change in the future. Your personal circumstances and where you live in the UK also have an impact on tax treatment.

Please note that before buying a product, factors such as commitment and investment risk need to be considered. As with any investment the value of your investment can go down as well as up and may be worth less than what was paid in. Full details are available in the Key Features Documents and the Estate Planning Marketing Material.

Absolute Trust

- Beneficiaries fixed at outset cannot be changed/added to by the Trustees
- Gift is a potentially exempt transfer (PET)
- No IHT periodic/exit charges
- Share of trust fund is in Beneficiary's estate for IHT
- Bond gains assessed on Beneficiaries (unless they are Settlor's minor children)
- No IHT100 or IHT100a form reporting to HMRC
- This trust must be registered with HMRC if it holds an onshore bond. It must be registered with with HMRC and the Irish Revenue's Central Register of Beneficial Ownership of Trusts (CRBOT) if it holds an offshore bond

Flexible Trust

- · A named Beneficiary has a right to income (i.e. interest in possession) but the Trustees can change the Beneficiaries at any time
- Gift is a chargeable lifetime transfer (CLT)
- 20% Initial Charge/Periodic/ Exit Charges apply if IHT is due
- Share of trust fund not in Beneficiary's estate
- No IHT implications on death of Beneficiary
- Bond gains assessed on Settlor if alive and UK resident or otherwise, normally, the Trustees
- IHT100 form may be required by HMRC
- This trust must be registered with HMRC if it holds an onshore bond. It must be registered with with HMRC and the Irish Revenue's Central Register of Beneficial Ownership of Trusts (CRBOT) if it holds an offshore bond

Discretionary Trust

- No Beneficiary has a right to the capital or income from the trust. The Trustees have final say on who benefits from the trust and when
- Gift is a chargeable lifetime transfer (CLT)
- 20% Initial Charge/Periodic/ Exit Charges apply if IHT is due
- Share of trust fund not in Beneficiary's estate
- No IHT implications on death of Beneficiary
- Bond gains assessed on Settlor if alive and UK resident or otherwise, normally, the Trustees
- IHT100 form may be required by HMRC
- This trust must be registered with HMRC if it holds an onshore bond. It must be registered with with HMRC and the Irish Revenue's Central Register of Beneficial Ownership of Trusts (CRBOT) if it holds an offshore bond



You should always take financial advice if you're considering a trust. The information contained in this document should not be considered as financial advice.