



KEY FEATURES AND BENEFITS 24

Comparison between Pilot Trusts settled by the Will and Trust within the Will

PILOT TRUST SETTLED BY THE WILL	TRUST WITHIN THE WILL
	
For single people: Where the trust receives the residue	
<p>Flexible Family Trust (FFT) Key Features and Benefits sheet 4</p>	<p>Discretionary Trust of Residue (DTR) Inc. Residence Nil Rate Band (RNRB) Key Features and Benefits sheet 104</p>
For couples under Nil Rate Band (NRB) / Residence Nil Rate Band (RNRB): Where the trust receives the residue on each death	
<p>FFT each Key Features and Benefits sheet 1</p>	<p>Will with DTR Inc. RNRB Key Features and Benefits sheet 101</p>
For married/civil partners with an Estate over the NRB/RNRB: Where the NRB/RNRB and the residue is dealt within separate trusts	
<p>FFT and Interest in Possession (IIP) Trust Key Features and Benefits sheet 2</p>	<p>Will with NRB/RNRB Discretionary Trust, residue to IIP Key Features and Benefits sheet 102</p>
For estates that includes assets that would qualify for Business Property Relief (BPR)	
<p>BPR Clause in the Will plus Business Trust Key Features and Benefits sheet 9</p>	<p>BPR Trust within the Will Key Features and Benefits sheet 109</p>
For estates that includes assets that would qualify for Agricultural Property Relief (APR)	
<p>APR clause in the Will plus APR Trust Key Features and Benefits sheet 9</p>	<p>APR Trust within the Will Key Features and Benefits sheet 109</p>
Other Trusts used on death	
<p>Pilot trusts settled by the Will can deal with all of the requirements in the column on the right.</p> <p>The pilot trust memorandum of wishes would guide the trustees about any requests such as a preferred age to benefit, any rights to reside and dealing with any disabled or vulnerable beneficiaries.</p> <p>The pilot trust route gives flexibility and protection and also ensures that there is no negative effect on any beneficiary's own estate.</p>	<p>Child Trust: To defer the age of inheritance from 18 to a maximum of 25.</p> <p>Life Interest in Property Trust: To give a right to reside / a Life Interest. Also known as a Protective Property Trust.</p> <p>Disabled Discretionary Trust: To protect a disabled beneficiary's interest and can have tax advantages.</p>

Pilot Trust = Blue

Will Trust = Green

Pilot Trust Benefits



- **Semi Secret:** The pilot trust does not become a public document after the probate process, unlike a Will. So the detail about trustees and beneficiaries is not made public
- **Flexibility and Autonomy:** Multiple pilot trusts can be established for multiple beneficiaries (See Key Features and Benefits Sheet 22)
- **If there are Divorce or Creditor claims on the beneficiaries:** Having multiple trusts each can be beneficial as it can be argued that they only have an interest in any trust that beneficiaries derived a benefit from (See Key Features and Benefits Sheet 22)
- **Amendments:** Alterations regarding who benefits from what and how (for example where the beneficiaries remain the same but the wishes about how the division of assets is dealt with changes) can easily be amended in the trust memorandum of wishes.

Trust within the Will Benefits



- **Perpetuity Period:** The perpetuity period starts on death, rather than with a pilot trust where the perpetuity period starts when initially settled in life (i.e. with £10).
- **Flexibility and Autonomy:** Multiple pilot trusts can be established for multiple beneficiaries (See Key Features and Benefits Sheet 122 and 122a)
- **If there are Divorce or Creditor claims on the beneficiaries:** Having multiple trusts each can be beneficial as it can be argued that they only have an interest in any trust that beneficiaries derived a benefit from (See Key Features and Benefits Sheet 122)
- **Amendments:** Alterations regarding who benefits from what and how (for example where the beneficiaries remain the same but the wishes about how the division of assets is dealt with changes) can easily be amended in the trust memorandum of wishes.

GLOSSARY OF ABBREVIATIONS

Flexible Family Trust (FFT)

Interest in Possession Trust (IIP)

Discretionary Trust of Residue (DTR)

Nil Rate Band (NRB)

Residence Nil Rate Band (RNRB)

Business Property Relief (BPR)

Agricultural Property Relief (APR)

Life Interest in Property Trust (LIPT)

Disabled Discretionary Trust (DDT)

OTHER PILOT TRUSTS COMMONLY SETTLED IN LIFETIME

- ✓ Family Probate Preservation Plus Trust (PPPT). (See Key Features and Benefits Sheet 12).
- ✓ Family Property Probate Trust (Investment Property).
- ✓ Family Investment Probate Trust (See Key Features and Benefits Sheet 5).
- ✓ Family Life Assurance Trust (See Key Features and Benefits Sheet 8).
- ✓ Family Pension Death Benefit Trust (See Key Features and Benefits Sheet 7).
- ✓ Family Gift Trust (See Key Features and Benefits Sheet 23a).
- ✓ And more 'Lifetime Planning' Trusts.