

TRUSTS

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Trusts can be created during a person's lifetime or by their Will. Leeds Day can act in the creation, administration and termination of trusts. Trusts can be created for a variety of reasons.

Life Interest Trusts

A trust may provide for a person to use or receive the income from an asset or property whilst the preserving the actual asset or property for the benefit of someone else at a later date. This is a trust often used in Wills where the person making the will perhaps wishes to provide for a spouse from a second marriage. The second spouse would then be able to remain living in the home on the basis that the house is to then pass to the children of the first marriage on the death of the second spouse. This type of trust can also protect part of your home from residential care home fees.

Accumulation and Maintenance Trusts

Trusts may also be created for the benefit of children if they are too young to own assets themselves.

Discretionary Trusts

Where the person creating the trust delegates the decision as to who will benefit from the trust to others known as the trustees. This type of trust may be used in a situation where the person creating the trust is not sure what the needs of his family members may be in the future and wishes to leave maximum flexibility for decisions to be made at a later date. This may be useful where one of the beneficiaries may not be able to manage their own financial affairs.

The administration of trusts may involve the preparation of trust accounts, dealing with tax implications for the trust and advising the trustees of their duties.

The termination of a trust may arise on the death of a beneficiary or when children reach an age at which they can receive assets or property themselves. The trust may also come to an end when the trustees decide to transfer the money or property to beneficiaries in accordance with their discretion. Members of the Wills and Probate Department of Leeds Day can assist and advise clients in relation to trust matters.