

# Aviva Discretionary Gift Trust (protection)



The Aviva Discretionary Gift Trust is provided for use with Aviva protection policies and is for use by single or joint policyholders.

Policyholder(s) can retain any terminal illness, critical illness, total permanent disability and mortgage payment protection benefits.

**Important: Once a trust has been fully executed, you can't simply cancel it. Creating a trust has taxation as well as legal implications. Because of this, we always strongly recommend you take legal and/or financial advice before setting one up. If you have any concerns over whether or not these actions are right for your circumstances, please discuss this with your legal or financial adviser before proceeding.**

This trust is not suitable for use with Aviva's critical illness only policies.

## Important notes:

**We recommend that you seek your own professional advice before making use of this trust. This is important for a number of reasons:**

- **Creating a trust can have legal as well as taxation consequences.**
- **Once the trust has been created it cannot be revoked.**
- **The Trustees have a special duty to the Beneficiaries and the misuse of a Trust power by a Trustee can make him/her personally liable for any resulting loss to the Beneficiary.**

Any references to tax treatment for the Discretionary Gift Trust are based on Aviva's understanding of legislation and HM Revenue & Custom's practice (HMRC) at the time of publication. Both of these are likely to change in the future, and a liability to tax may arise under an existing arrangement. Every care has been taken as to accuracy, but it must be appreciated that Aviva's interpretation may be subject to challenge by HMRC or other regulatory bodies and neither Aviva nor its representatives can accept responsibility for loss, however caused, suffered by any person who has acted or refrained from acting as a result of material published.

Under Aviva's trust those people creating the trust, the settlors, are automatically appointed as a trustee. We will continue to recognise any financial adviser associated with the policy following the trust coming into force.

For any other trusts submitted to Aviva, where original policyholders are not appointed as trustees, we will assume that there is no financial adviser acting in relation to the policy, unless we receive confirmation from all trustees that either the original financial adviser is retained, or a new financial adviser has been appointed.

This will also apply to any further appointments or retirement of trustees made.

## Your personal information

We collect and use your personal information as part of this trust process. If you would like more information about how we use and process personal information and your rights in relation to it, you can find further detail in our full privacy policy at [aviva.co.uk/privacy-policy](http://aviva.co.uk/privacy-policy) or request a copy by writing to us at Aviva, Freepost, Mailing Exclusion Team, Unit 5, Wanlip Road Ind Est, Syston, Leicester, LE7 1PD.

## How to complete the Discretionary Gift Trust deed:

These instruction notes are for guidance only and don't form part of the trust deed.

**If you've not completed this trust online, please use the handy submission checklist on the last page to ensure you've completed the trust deed correctly.**

The use of a capital letter at the beginning of a word (or words) may mean that the particular word in question is a defined term. You can find defined terms within the definitions section in Part D.

**Please complete the Trust Deed in black ink and use block capitals (except for signatures) and always give full names (i.e. include middle names).**

**For more information, please read our guide [Aviva protection trusts and inheritance tax](#).**

## Part A

1. Insert the date on which the deed is completed (i.e. the last person, either Settlor or Trustee, signs the document). Do **not** backdate or forward-date this Deed.
2. The Settlor should insert their full name and address. By Settlor, we mean policyholder. This is likely to be yourself. If your policy is a joint policy, please add the secondary policyholder's details under 'Settlor 2'.  
We will class the first or only Settlor as the lead Trustee and we will communicate with them. It is the lead Trustee's responsibility to keep the other Trustees informed.
3. The full name and address of any additional Trustee(s) being appointed should be included. You are automatically a Trustee so you don't have to include your own name again. We strongly recommend that at least one additional Trustee is appointed. The Trustees are responsible for administering the trust (i.e. they are legally bound to make sure your money is looked after then distributed to your nominated beneficiaries). We will class the first or only Settlor as the lead Trustee and we will communicate with them. It is the lead Trustee's responsibility to keep the other Trustees informed.

## Part C Schedule

1. Insert the policy number. If you want this Trust deed to apply to multiple policies, please detail all of the policy numbers. For additional space, please use the 'Additional policies' box.
2. By entering your additional policy number(s), you are also assigning this policy or these policies to be held in trust. This action isn't reversible and your other policies will also be subject to the terms of this trust deed.  
If you have any concerns over whether or not such actions are right for your circumstances, please discuss this with your professional adviser before proceeding.

## Part D Definitions

1. In the box under "Default Beneficiaries" insert the full names of each Beneficiary who is to benefit from the Trust, and the % share each is to receive, if applicable. Where a % share is given, the shares must total 100%. These Beneficiaries will only benefit if no other appointment is made in favour of other Potential Beneficiaries within the Trust Period (125 years).  
Names of Beneficiaries only should be inserted rather than a description of classes of Beneficiaries.

## Part E Principal trust terms

1. Tick the box if you **DO NOT** want to benefit from any terminal illness claim proceeds. In this case, these proceeds will be held by the Trustees for the Beneficiaries.
2. Tick the box if you **DO NOT** want to benefit from any critical illness claim proceeds. In this case, these proceeds will be held by the Trustees for the Beneficiaries. Critical illness claim proceeds will include any additional benefits under critical illness cover, e.g. partial payments and children's critical illness. You should refer to your product terms and conditions for further information.
3. Tick the box if you **DO NOT** want to benefit from any total permanent disability claim proceeds. In this case, these proceeds will be held by the Trustees for the Beneficiaries.
4. Tick the box if you **DO NOT** want to benefit from any mortgage payment protection claim proceeds. In this case, these proceeds will be held by the Trustees for the Beneficiaries.

## Part G Signatures

1. Each policyholder in Part A should sign this page. Their signature must be witnessed by an independent Person over 18 years of age who is not a party to the Trust (i.e. not a settlor or trustee).
2. Each additional Trustee being appointed should sign this page to confirm acceptance of their appointment as trustee. Their signature must be witnessed by an independent Person over 18 years of age who is not a party to the Trust (i.e. not a settlor or trustee).

# Discretionary Gift Trust (protection)

## Trust Deed

### Part A

**This Trust is made the**

\_\_\_\_\_ **2** \_\_\_\_\_ (See note A1)

**by (full name of Settlor 1)** \_\_\_\_\_ (See note A2)

**of (address of Settlor 1)** \_\_\_\_\_

\_\_\_\_\_

**by (full name of Settlor 2)** \_\_\_\_\_

**of (address of Settlor 2)** \_\_\_\_\_

\_\_\_\_\_

(hereinafter called 'the Settlor') of the one part

**And the Settlor**

**and (full name of Trustee)** \_\_\_\_\_ (See note A3)

Date of birth (DOB of Trustee) \_\_\_\_\_

**of (address of Trustee)** \_\_\_\_\_

\_\_\_\_\_

**and (full name of Trustee)** \_\_\_\_\_

Date of birth (DOB of Trustee) \_\_\_\_\_

**of (address of Trustee)** \_\_\_\_\_

\_\_\_\_\_

**and (full name of Trustee)** \_\_\_\_\_

Date of birth (DOB of Trustee) \_\_\_\_\_

**of (address of Trustee)** \_\_\_\_\_

\_\_\_\_\_

(hereinafter called 'the Original Trustees') of the other part.



5. **“Person”** includes any natural person anywhere in the world and includes a Trustee who is a natural person
6. **“Potential Beneficiaries”** means:
  - a. Any Spouse or Civil Partner or former Spouse or former Civil Partner or Widow(er) or surviving Civil Partner of any Settlor (but not where such Person is also a Settlor);
  - b. Any Child or remoter descendant of any Settlor;
  - c. Any Spouse or former Spouse or Widow(er) of any Child or remoter descendant of any Settlor;
  - d. Any Person (other than a Settlor) or charity nominated in writing by a Settlor (and if there are two Settlers of full capacity then both Settlers) to the Trustees to be a Potential Beneficiary;
  - e. Any Person (other than a Settlor) who has an interest in the estate of any Settlor by will or codicil, under intestacy laws, by right of survivorship or otherwise.
7. **“Settlor”** means the person (or persons) who are named in Part A of the trust.
8. **“The Company”** means any company within the Aviva plc group of companies.
9. **“Trustees”** means the Original Trustees or other Trustees for the time being.
10. **“Trust Fund”** means the Original Asset and all moneys, investments or other assets at any time paid or transferred to and accepted by the Trustees by way of further settlement, accumulation of income, capital accretion or otherwise and all property from time to time representing the foregoing respectively, except for benefits specifically retained by, or for the benefit of, the Settlor under the Original Asset.
11. **“Trust Period”** means the period of one hundred and twenty five years commencing from the start of this Trust Deed.

#### Part E Principal trust terms

<p>1. The Trustees shall hold any terminal illness benefit under any insurance policy forming all or part of the Trust Fund for the benefit of the Settlor absolutely.</p> <p><b>Tick this box if you DON'T want to benefit from any terminal illness benefit</b> <input type="checkbox"/></p> <p>(See note E1)</p>
<p>2. The Trustees shall hold any critical illness benefit under any insurance policy forming all or part of the Trust Fund for the benefit of the Settlor absolutely.</p> <p><b>Tick this box if you DON'T want to benefit from any critical illness benefit</b> <input type="checkbox"/></p> <p>(See note E2)</p>
<p>3. The Trustees shall hold any total permanent disability benefit under any insurance policy forming all or part of the Trust Fund for the benefit of the Settlor absolutely.</p> <p><b>Tick this box if you DON'T want to benefit from any total permanent disability benefit</b> <input type="checkbox"/></p> <p>(See note E3)</p>
<p>4. The Trustees shall hold any mortgage payment protection benefit under any insurance policy forming all or part of the Trust Fund for the benefit of the Settlor absolutely.</p> <p><b>Tick this box if you DON'T want to benefit from any mortgage payment protection benefit</b> <input type="checkbox"/></p> <p>(See note E4)</p>

5. The Trustees shall hold all other proceeds or all proceeds where some or all of the options in Part E (1), (2), (3) and (4) above have been selected for the benefit of the Potential Beneficiaries as follows:
  - a. During the Trust Period the Appointor may by deed or deeds revocable or irrevocable appoint the whole or any part or parts of the Trust Fund for such one or more of the Potential Beneficiaries in such one or more shares and for such interests as the Appointor shall in their absolute discretion think fit.
  - b. An appointment may create any provisions and in particular discretionary trusts and dispositive or administrative powers, exercisable by any person.
  - c. A revocable appointment may only be revoked during the Trust Period. Any revocable appointment may only be revoked if, at the same time, a new appointment is made so as to replace in their entirety the provisions of the appointment being revoked (due regard being had to Part F clause 7 below).

### **The income of the Trust Fund**

6. The Trustees may pay or apply the whole or any part or parts of the income of the Trust Fund to or for the benefit of any Beneficiary as they think fit within twelve months of the same arising, and
7. shall during the Trust Period accumulate all such income as is not so applied and hold the same as one fund with the capital of the Trust Fund.

### **Default clause**

Subject to the above, the Trust Fund shall be held on Trust at the expiry of the Trust Period for the absolute benefit of the Default Beneficiaries in such shares as the Trustee shall determine and subject thereto in equal shares absolutely.

### **Part F Powers and Provisions**

1. In managing and dealing with the Trust Fund, the Trustees shall have the widest possible powers as if they were the absolute Beneficial owners thereof and were capable of carrying out any transaction whatever in connection with this Trust and without prejudice to the generality of the foregoing the Trustees shall have the following specific powers:
  - a. power to effect any policy of life insurance on the life of any Person or Persons.
  - b. power to exercise all options conferred by any policy of life insurance.
  - c. power to sell, charge or assign any policy of life insurance and to surrender the whole or any part of such policy.
  - d. power to borrow money on such terms as they may think fit and whether upon the security of the whole or any part or parts of the Trust Fund or upon personal security only.
  - e. power to pay or transfer any capital or income to be paid to or applied for the benefit of a Beneficiary who is under legal disability to any parent or guardian of that Beneficiary on behalf of such Beneficiary and the receipt of such Person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof.
  - f. power to lend with or without security to any Beneficiary the whole or any part or parts of the Trust Fund upon such conditions as to interest (if any) and repayment and generally upon such terms as the Trustees in their absolute discretion think fit provided always that any such loan must be repayable during the Trust Period.
  - g. in addition, the Trustees may by deed or deeds add to, amend or remove the powers contained in this clause if they in their absolute discretion think fit.
2. The statutory power of appointing further Trustees shall be vested in the Appointor.
3. (a) Any Trustee hereof being a person engaged in any profession or business shall be entitled to charge and be paid the usual professional or proper charges for business transacted, time expended and acts done by such Trustee or any partners of such Trustee in connection with the aforesaid Trusts including acts which a Trustee not being in a profession or business could have done personally. Any Trustee being a trust corporation shall be entitled to remuneration and expenses in accordance with the provisions of its Trustee prospectus in force at the date of its appointment.

(b) Any Trustee hereof shall be entitled to retain any brokerage or commission which may be received personally or by such Trustee's firm in respect of any transaction carried out in connection with these Trusts for which such Trustee or Trustee's firm is in the normal course of business allowed such brokerage or commission notwithstanding that the receipt of such brokerage or commission was procured by an exercise by such Trustee or Trustees of his statutory or non-statutory powers.

(c) Any Trustee may exercise or concur in exercising all powers and discretions given to him by this Deed or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may be so directly or personally interested and may allow his one or more co-Trustees to act alone in relation thereto.

4. If there are two Settlers of full capacity both Settlers shall together have power to dismiss any Trustee by deed giving 30 days' notice to such Trustee and if there is only one Settlor of full capacity that Settlor shall have that power provided always that no dismissal shall take effect unless and until there is at least a trust corporation or two individual Trustees to act as continuing Trustees.
5. Where one Trustee ("the missing Trustee") cannot be found and the other Trustees ("the remaining Trustees") have made all reasonable efforts to trace him, the remaining Trustees being not less than two in number or a trust corporation may by deed discharge the missing Trustee. A recital in that deed stating that the Missing Trustee cannot be found and that the remaining Trustees have made all reasonable efforts to trace him shall be conclusive evidence in favour of any Person dealing with the Trustee in good faith.
6. During the Trust Period the Appointor may by deed exclude any one or more persons from the Potential Beneficiaries to the intent that thereafter no beneficial appointment may be made in favour of that Person or those Persons.
7. Notwithstanding any provision in the Deed no power conferred by this Deed or by law (and no power of revocation reserved by any exercise of power) shall be exercisable, and no provision other than those contained in Part E(1), (2), (3) and (4) shall operate, so as to allow the Trust Fund or its income to be or to become lent to or in any way paid or payable to or applied or applicable for the benefit of any Settlor in any circumstances whatsoever TO THE INTENT THAT there shall be no gift with a reservation for the purposes of section 102(1) of the Finance Act 1986.
8. (a) No dealing with any life policy forming part of the Trust shall be capable of being effected so as to affect the rights vested in the Settlor by Part E (1), (2), (3) or (4).  
(b) If any life policy forming part of the Trust Fund shall determine while the rights vested in the Settlor by Part E (1), (2), (3) or (4) remain to be fulfilled the Trustees shall effect such new policy as they shall in their discretion determine as shall give rise to replacement rights to those set out in Part E (1), (2), (3) or (4).
9. This Deed is irrevocable and shall be governed by the law of England.

## Part G Signatures

(See note G1)  
Signed and delivered as a Deed by the  
said (settlor 1 name)

*Name*

Signed  
(signature of settlor 1)

*Signature*

in the presence of:  
(signature of witness)

*Signature*

Name and address of witness

*Name and address*

Signed and delivered as a Deed by the  
said (settlor 2 name)

*Name*

Signed  
(signature of settlor 2)

*Signature*

in the presence of:  
(signature of witness)

*Signature*

Name and address of witness

*Name and address*

(See note G2)  
Signed and delivered as a Deed by the  
said (original trustee name)

*Name*

Signed  
(signature of original trustee)

*Signature*

in the presence of:  
(signature of witness)

*Signature*

Name and address of witness

*Name and address*

Signed and delivered as a Deed by the  
said (original trustee name)

*Name*

Signed  
(signature of original trustee)

*Signature*

in the presence of:  
(signature of witness)

*Signature*

Name and address of witness

*Name and address*

Signed and delivered as a Deed by the said (original trustee name)

*Name*

Signed (signature of original trustee)

*Signature*

in the presence of: (signature of witness)

*Signature*

Name and address of witness

*Name and address*

## Submission checklist

### Part A

The Trust is dated with the date after the last Person (Settlor or Trustee) signed it.

The Settlor(s) have filled in their names and addresses.

The Trustee(s) have filled in their names and addresses. (We recommend you appoint at least one additional Trustee).

### Part C

I've entered the policy number(s).

### Part G

The Settlor(s) and Trustee(s) named in Part A **have signed** Part G.

**Important:** Once a trust has been declared, you can't simply cancel it. Creating a trust has taxation as well as legal implications. Because of this, we always strongly recommend you take legal and/or financial advice before setting one up. If you have any concerns over whether or not these actions are right for your circumstances, please discuss this with your legal or financial adviser before proceeding.

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