

DISCRETIONARY SPLIT TRUST DEED FORM

Important notes

- This trust is for Guardian policyholders who have taken out a protection policy on their own life.
- Its purpose is to enable prompt payout of any death benefit to the intended beneficiary(ies) through the trustee(s) you appoint (who may also be the beneficiary(ies)).
- The trust keeps any terminal illness, critical illness, income protection, total permanent disability, fracture or children's critical illness benefit for you.
- You can choose to give away the terminal illness benefit in this form. If you choose to give your terminal illness benefit away, this decision can't be changed. This choice may have tax consequences so you should discuss your requirements with your Financial Adviser.
- We'll accept just your signature to claim these benefits if your trust says these benefits are for you. Or your trustee(s) can sign for you if you're no longer able to.
- Guardian policies are arranged and administered by Guardian Financial Services Limited, and underwritten and issued by Scottish Friendly Assurance Society Limited.
- We've taken every care over the content and notes to this deed based on our understanding of current law and HMRC practice as at December 2023, which can change.
- We accept no responsibility for making sure it meets your needs, for the results of its use or how you complete it.
- You'll need to check with your Financial Adviser or a solicitor if you're unsure about its effect or suitability for you.

SECTION 1: CLIENT DETAILS



Please complete using CAPITAL LETTERS throughout the form.

The trust is made on (DD MM YYYY):

i Enter the date on which the trust is signed, which must be on or after the start date of the cover.

Between the 'settlor':

i The settlor is the person who owns the policy and is creating the trust.

Full name (FIRST NAMES / LAST NAME):

Address:

Postcode:

Date of birth (DD MM YYYY):

and the additional trustee(s):

Full name (FIRST NAMES / LAST NAME):

Address:

Postcode:

Date of birth (DD MM YYYY):

Full name (FIRST NAMES / LAST NAME):

Address:

Postcode:

Date of birth (DD MM YYYY):

Full name (FIRST NAMES / LAST NAME):

Address:

Postcode:

Date of birth (DD MM YYYY):

Full name (FIRST NAMES / LAST NAME):

Address:

Postcode:

Date of birth (DD MM YYYY):

The settlor and the additional trustee(s) are together **'the current trustees'**.

The settlor is the legal and beneficial owner of the following cover(s):

 You need to give the cover reference(s) here which are shown on the Cover Summary with a prefix of CB, ES or TL (NOT the overall policy number) and state the cover type(s) the trust applies to – usually all the ones which include a death benefit.

CB or ES or TL cover reference: (USE CAPITAL LETTERS. YOU'LL FIND YOUR COVER REFERENCE ON YOUR COVER SUMMARY.)	Cover type: (USE CAPITAL LETTERS)
<input type="text"/>	<input type="text"/>

'the policy', which is arranged and administered by Guardian Financial Services Limited, and underwritten and issued by Scottish Friendly Assurance Society Limited.

The settlor hereby assigns their rights under the policy to the current trustees to hold irrevocably on trust as follows:

SECTION 2: DECLARATION OF TRUST

2.1 The trustees will hold the retained benefit for the benefit of the settlor absolutely.

'The trustees' are the current trustees and any other trustees for the time being of this trust.

The 'retained benefit' is any benefit payable under the policy as a result of terminal illness, critical illness, income protection, total permanent disability, fracture and any children's critical illness, except for any terminal illness benefit the settlor has given away by signing here:



- Sign here **ONLY** if you wish to give the payout made on diagnosis of terminal illness to your beneficiary(ies).

I, the settlor, declare I do not wish to receive any terminal illness benefit payable under the policy and therefore do not include it in the retained benefit. Instead it will be held by the trustees for my beneficiary(ies).

Settlor's signature to give away terminal illness benefit:

Money from the death benefit is for your beneficiary(ies).

Otherwise, the trustees will hold the trust fund for the beneficiary(ies) on the trusts stated in 2.2.

The 'trust fund' means their rights under the policy and the benefits paid in accordance with those rights, together with any assets added by way of further gift, capital accretion, accumulation of income, or otherwise, and all assets from time to time representing the same.

2.2 The trustees will hold the trust fund for the benefit of any one or more of the beneficiaries upon such trusts and in such shares and subject to such **trusts powers** and provisions (exercisable by any person) as the trustees will at any time or times appoint by deed executed during the trust period but **at the latest within 24 months of the death of the settlor**, which may be changeable during the trust period or fixed. This power of appointment can only be exercised when there are at least 2 trustees or a trust corporation and won't affect the entitlement of any beneficiary to any sum paid or asset transferred previously.

2.2 allows flexibility to change beneficiaries and their shares

2.3 Subject to and in default of any such appointment the trustees will hold the trust fund for the default beneficiaries absolutely in the shares specified below per stirpes (or, if none, in equal shares). If the stated shares don't add up to 100%, they're to be treated as being scaled up or down in the same proportions so that they do.

Per stirpes means if a beneficiary has died, their family/estate gets their share.

SECTION 3: DEFINITIONS

3.1 The 'beneficiaries' means the default beneficiaries and the potential beneficiaries.

3.2 These are the 'default beneficiaries':



- You **MUST** provide details of the default beneficiaries and the share each is to receive, expressed as percentage, here.
- Default beneficiaries are the people you currently want to benefit from the trust fund.
- You should make sure you keep the people named to benefit up to date so your trustees know who to pay.
- The safest way is with a form ('appointment deed') you keep with the trust and copy to us.
- You cannot nominate yourself as a default beneficiary.

Beneficiary's full name: (USE CAPITAL LETTERS)	Date of birth: (DD MM YYYY)	% share: (shares should total 100%)
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3.3 The 'potential beneficiaries' means the following:



- In case circumstances change, for example, a default beneficiary asks for their share to bypass them in favour of their children, the trust allows the flexibility for the trustees to change the beneficiaries.
- If you can no longer act for yourself, or after your death, other trustees can select anyone from here to benefit if not excluded.
- You can exclude any potential beneficiaries from the trust by naming them in (h).

- (a) Any spouse, civil partner, widow, former spouse or civil partner of the settlor
- (b) Any child of the settlor, including illegitimate, legitimate, adopted and step-children
- (c) Anyone descended, including illegitimate, step and adopted children, from the father and mother of the settlor or from anyone included in (a)
- (d) The default beneficiary(ies) and anyone descended from them including illegitimate, step and adopted children
- (e) Anyone whom the settlor nominates in writing to the trustees
- (f) Anyone who may benefit from the estate of the settlor or the estate of a default beneficiary, and anyone named in (g)

ANYONE YOU WANT TO BE CHOSEN:
(USE CAPITAL LETTERS)

(g)

but excludes anyone nominated as such in writing to the trustees or named in (h)

ANYONE YOU DON'T WANT TO BE CHOSEN:
(USE CAPITAL LETTERS)

(h)

and always excludes the settlor and the settlor's estate.

3.4 The 'trust period' is 100 years beginning from the date of this deed.

100 years is the maximum time this trust can run for.

SECTION 4. CHANGING BENEFICIARIES

Notwithstanding the trustees' power of appointment in 2.2 above, the settlor also has the power by deed to:

- (a) remove or add any person (excluding themselves) as a default beneficiary so long as there is always at least one default beneficiary remaining at all times, and
- (b) alter the shares of the default beneficiaries.

SECTION 5: CHANGING TRUSTEES



- Generally, you'll be able to change trustees, with a few provisos.
- It's important to let us know about trustee changes so we know who to deal with.

5.1 REMOVING TRUSTEES

The settlor has the power to remove any of the trustees by deed and by sending a notice of removal in writing to the trustee in question to their last known address by recorded delivery post. The power of removal will be exercisable only if there are 2 persons remaining as trustees after removal, unless a trust corporation remains as sole trustee.

5.2 ADDING TRUSTEES

The settlor has the power to appoint new or additional trustees by deed.

5.3 WHEN THE SETTLOR CAN NO LONGER MAKE CHANGES

If the settlor is proven to have lost legal capacity and there is no person with legal power of attorney to act on the settlor's behalf, or after death of the settlor, any remaining trustee(s) together, failing which the personal representatives of the settlor's estate will have the power to appoint by deed new or additional trustees.

SECTION 6: TRUSTEE RETIREMENT



- A trustee can't retire until there is someone else except the settlor to take over the role.

Any trustee may retire at any time by deed notified to the other trustees, so long as no retirement takes effect unless one of the continuing trustees is a trust corporation or the continuing trustees include at least 2 persons at least one of whom is not the settlor or the spouse or civil partner for the time being of the settlor.

SECTION 7: OTHER TRUSTEE POWERS

In addition to the powers given to them by law, the trustees will have the following powers. The exercise of these powers is subject to the retained benefits (if any):

7.1 ADDITIONAL LIFE POLICIES

The trustees will have power to effect any life assurance policy on the life of the settlor with agreement of the settlor or the settlor's legally appointed representative and to accept assignments of a policy to the trust.

7.2 PROFESSIONAL HELP

The trustees will have power to engage the services of any legal, investment or other professional adviser or advisers for help or guidance in administering the trust, on such terms as to fees or other remuneration and generally as the trustees may think fit.

7.3 TRUST RELATED COSTS

Expenses and charges can be paid out of or reimbursed from the trust fund, whether incurred under 7.2 above or as follows:

Any trustee for the time being (other than the settlor or the settlor's spouse or civil partner) will:

- (a) be entitled to recover all reasonable expenses, and
- (b) being a solicitor or other person or corporate body engaged in any profession or business be entitled to be paid all usual professional or other charges for business undertaken in relation to the trust.

SECTION 8: PROTECTION AND OTHER RESPONSIBILITIES OF THE TRUSTEES

8.1 TRUSTEE LIABILITY

No trustee will be liable for any loss unless that loss resulted from personal dishonesty, negligence or knowing breach of trust. Any liability of a trustee will be restricted to liability for their own actions or omissions.

8.2 POLICY UPKEEP

The trustees won't have to keep the policies in force or to restart them if they end because premiums haven't been paid. They won't have to replace them with new policies either. The settlor will have no right to reclaim from the trustees any premiums paid or payable in respect of such a policy.

8.3 INVESTMENT RESPONSIBILITIES

If any benefits paid from the policy can't be paid promptly to the beneficiaries, or if the retained benefit has to be managed for the settlor, the trustees' duty is to take reasonable steps to make sure the capital value of the trust fund is preserved until it can be distributed, taking professional advice if they see fit, but without any requirement to diversify the investments of the trust fund. Statutory provisions as to treatment of income don't apply.

SECTION 9: DEALING WITH US FOR OPTIONS AND BENEFIT PAYMENTS

9.1 WHEN THE SETTLOR CAN SIGN

As long as the settlor has physical and legal capacity, which we're entitled to assume applies unless told otherwise,

- (a) the settlor continues to have the right to exercise any option under the policy, which may include the option to effect a further policy to be added to the trust fund of this trust or not as the settlor sees fit, and
 - (b) the settlor has the power to give us a full discharge for receipt of payment of any benefit comprised in the retained benefits.
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9.2 WHEN THE SETTLOR CAN'T SIGN

On receipt of evidence we find satisfactory that the settlor isn't physically able or doesn't have the legal capacity to supply it, the discharge may be given by any one of the other trustees or under a valid power of attorney given by the settlor.

9.3 AFTER DEATH OF THE SETTLOR

After the death of the settlor, we'll pay any benefits according to the instructions of the surviving trustees. If there are more than one, all of them must sign for receipt of the benefits and to discharge us.

9.4 TRUSTEES ARE RESPONSIBLE FOR CORRECT USE OF FUNDS

Once discharged, we'll have no obligation to make sure the trustees deal properly with the trust property.

9.5 PAYMENT DIRECT TO DEFAULT BENEFICIARIES

If there are no surviving trustees who can be found or are willing to act after the death of the settlor, we may pay direct to a default beneficiary (or a beneficiary who has been appointed with an absolute entitlement) who has legal capacity to give a valid legal discharge. Alternatively, we may pay to the legal parent or guardian of such a beneficiary having no legal capacity, to be held on a bare trust for that beneficiary during their legal incapacity. We may retain the amount of any tax or potential tax due for payment to HM Revenue & Customs.

SECTION 10: TRUSTEES DEALING WITH THE POLICY PROCEEDS

10.1 PROMPT PAYMENT TO BENEFICIARIES

The trustees must ensure payment to the default beneficiaries or appointed beneficiaries according to the terms of their appointment as soon as reasonably practicable.

10.2 PAYMENT FOR BENEFICIARIES WITH LEGAL CAPACITY

Where a beneficiary is a minor or legally can't receive money for their benefit, the trustees may pay or transfer any capital or income which is for that person's benefit to their parent, guardian or any other person they decide is suitable. When a parent, guardian or other suitable person accepts money on behalf of any such person, it means that the trustees have no more liability to that person.

Otherwise, the trustees can pay towards the maintenance, education, health and benefit of the beneficiary from that beneficiary's share of the trust fund as the trustees in their absolute discretion think fit. They must hold any balance of the beneficiary's share of the trust fund in trust on their behalf for the sole benefit of such beneficiary as their absolute property until they're no longer a minor and the statutory provisions for accumulation and maintenance won't apply.

SECTION 11: EXERCISING AND VARYING ADMINISTRATIVE PROVISIONS

11.1 EXTENDING POWERS

When in the management or administration of the trust fund any transaction is, in the opinion of the trustees, expedient but can't be effected by reason of the absence of any power for that purpose, the trustees may by deed confer on themselves either generally or, in the particular instance, the necessary power for the purpose and on the execution of such a deed the trustees will have such power as if it had been expressly conferred on them by this deed.

11.2 REDUCING POWERS

The trustees will have power by deed or deeds revocable (whether by the person making such deed or some other person) during the trust period or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them (including this power) whether or not of a fiduciary nature and so as to bind their successors.

11.3 SETTLOR BENEFIT CAN'T BE EXTENDED

None of the trust powers or provisions will operate or be exercised so as to allow any part of the trust fund or the income arising from it to be paid, transferred, or applied directly or indirectly to or for the benefit of the settlor in any circumstances whatsoever.

SECTION 12: DEED STATUS



- Signature must be witnessed by someone over 18 who is independent of the trust, but who knows that the person signing is who they say they are.
- No one who could benefit is independent, nor are the policyholder or additional trustees.

This deed can't be changed or cancelled and is governed by the law of England and Wales.

Signatures

Signed as a deed by the settlor
named (POLICYHOLDER NAME:
USE CAPITAL LETTERS):

Signature:

In the presence of a witness who is:
(WITNESS NAME: USE CAPITAL LETTERS):

Signature:

SUBMISSION CHECKLIST

It's important we know who to deal with, so you'll need to send us a record of the trust. Before sending your trust deed, please check:

- The date at the start of the form is the date the trust was signed and witnessed.
 - All relevant boxes have been completed.
-

WHAT NEXT

- Once the form is complete and signed, email a scanned copy or photo of all pages of this form to: **heretohelp@guardian1821.co.uk**.
- Please keep the original copy of your emailed form with your policy. This is so that you and your trustees know what to do when claiming under the policy.

The same will apply to later changes you make to the trustees or beneficiaries – we can supply forms for this too.

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