

# Aviva Protection UK Limited Relevant Life Discretionary Trust

**WARNING:** This is a specimen document. Before you complete it and it is executed, we strongly recommend that you obtain independent legal and tax advice on whether this document is appropriate for your needs and circumstances and on the consequences (including any tax consequences) of signing it. Aviva Protection UK Limited is not able to advise you in this regard and does not accept any liability for the effect or consequences (including any tax consequences) of using this document.

This document is designed to be used for the Aviva Protection UK Limited Relevant Life Insurance policy only. It is intended for use where an employer has taken out an Aviva Protection UK Limited Relevant Life Insurance policy and wishes to provide death and terminal illness benefits for one of their employees outside of a registered group life scheme.

This Trust is only suitable for Aviva Protection UK Limited Relevant Life Insurance. It is not suitable for any other Aviva Protection UK Limited covers or life insurance policies, or for Business Protection nor those life insurance policies and business protection policies originally provided by us under our former name AIG Life Limited.

## **What is a Relevant Life Discretionary Trust?**

A Relevant Life Discretionary Trust is a flexible trust which is set up by an employer (who is also the policyholder) for the benefit of one of their employees (who is the Life Assured). The death benefits payable under the cover are held by the Trustees for a group of Potential Beneficiaries (which include the Life Assured/employee, their family or dependents). The Trustees have complete discretion to decide which of the Potential Beneficiaries benefits from the Trust Fund, how much they receive and when.

All benefits under this cover will be placed into trust. This means that we will pay any benefits to the Trustees who will then distribute the benefit to the beneficiaries according to the terms of the Trust taking into any nomination or guidance communicated to them in writing (for example, in any Expression of Wishes document).

## Expression of Wishes

The supplemental Aviva Protection UK Limited Expression of Wishes document can be used in conjunction with the Aviva Protection UK Limited Relevant Life Discretionary Trust if the employee would like the Trustees to consider one or more persons from the classes of Potential Beneficiaries named in the Trust. The Expression of Wishes is not binding on the Trustees but can be used when deciding who should receive the monies from the Trust Fund.

**Once you as the employer and the Trustees that you choose have signed this document and the Policy commences:**

- All benefits payable under the cover will be held in trust for the Potential Beneficiaries;
- The Trustees can only be changed in accordance with the terms of the Trust;
- Potential Beneficiaries can only be added in accordance with the terms of the Trust; and
- The Trustees will manage and control the benefits that are in the Trust.

## Trusts and taxation

As the benefits of the policy are held on discretionary trusts for the benefit of the Life Assured/employee and their family they will not normally be included in his/her estate for Inheritance Tax ('IHT') purposes. Advice should be taken on the tax implications of creating this Trust as well as ongoing compliance requirements for the Trust with HMRC and/or any other authorities.

The laws relating to the taxation of gifts and trusts may change in the future. Aviva Protection UK Limited shall not be held responsible for any information given in this document or any other Aviva Protection UK Limited documentation or for any changes in tax provisions or legislation that may affect the policies within the trusts or the tax treatment of either the policies or the provisions of the trust or the rules applying to gifts for IHT planning purposes.

**Please read:** Before you complete this document and it is executed, we would recommend that you speak to a legal adviser. They will be able to help you decide whether the Aviva Protection UK Limited Relevant Life Discretionary Trust is right for your needs and circumstances.

**The original executed Trust Deed (or a certified copy of the original) should be sent to:  
Aviva Protection UK Limited, PO Box 12010, Harlow, CM20 9LG as notice of the assignment of the Policy effected by this Trust.**

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## Checklist

Before returning this form to Aviva Protection UK Limited, please check that you have completed all relevant sections as follows **(please tick to confirm):**

		(✓)
<b>Mandatory</b>	Entered details of the Employer (policyholder) and the Life Assured (employee) in Section C	<input type="checkbox"/>
<b>Optional</b>	Entered details of the Additional Trustee(s) in Section C	<input type="checkbox"/>
<b>Mandatory</b>	Entered details of the Default Beneficiaries in Section C	<input type="checkbox"/>
<b>Optional</b>	Entered details of additional Potential Beneficiaries, and of any Excluded Persons (if any)	<input type="checkbox"/>
<b>Mandatory</b>	Signed this document, with all signatures witnessed by an independent witness (who should be age 18 or over and not related to the Settlor or Trustees)	<input type="checkbox"/>
<b>Mandatory</b>	Dated this document (only <b>after</b> all sections have been completed and all parties have signed)	<input type="checkbox"/>

# Section A – Definitions

The words in this document which begin with a capital letter have particular meanings which are set out in the table below.

<b>Word</b>	<b>Definition</b>
Additional Trustee	The person(s) listed in Section C who will act with the Employer as a Trustee of the Trust.
Cover(s)	The cover(s) under the Policy that may be written in trust.
Default Beneficiary	The person and/or class of persons listed in Section C to whom the Trust Fund will be paid if the Trustees have not exercised their discretion and distributed the Trust Fund during the Trust Period.
Employer	The company, limited liability partnership ('LLP'), partnership or sole trader (as the case may be) identified as such in Section C who is the policyholder of the Policy or any successor company, LLP, partnership or sole trader carrying on the business of the said company, LLP, partnership, or sole trader.
Excluded Person	The person and/or class of persons listed in Section C and/or a person and/or class of person added by the Trustees to the class of Excluded Persons pursuant to Clause 9(b) to whom the Trustees cannot distribute the Trust Fund.
Initial Trustees	The Settlor and the Life Assured and any Additional Trustee(s) who will become the legal owners of the Policy and be responsible for administering the Trust.
Life Assured	The employee on whose life the Policy has been taken out and who is recorded as such in Section C.
Minor	A person under the age of 18.
Policy	The life insurance policy recorded in Section C.
Potential Beneficiary	The people to whom the Trustees may distribute the Trust Fund: <ol style="list-style-type: none"> <li>1. The Life Assured</li> <li>2. Any widow or widower of the Life Assured</li> <li>3. Any surviving civil partner of the Life Assured</li> <li>4. The children and remoter issue of the Life Assured</li> <li>5. The parents, brothers and sisters of the Life Assured</li> <li>6. The children and remoter issue of the parents, brothers and sisters of the Life Assured</li> <li>7. Any person entitled under the Will or intestacy of the Life Assured</li> <li>8. The Default Beneficiaries</li> <li>9. Any other person named or identified as such in Section C</li> <li>10. Any person, class of person or charity nominated in writing to the Trustees by the Life Assured and added to the class of Potential Beneficiaries pursuant to Clause 9(a).</li> </ol>
Settlor	The Employer recorded in Section C as the company, limited liability partnership, partnership or sole trader policyholder who is establishing this Trust.
Trust	The trust declared by this Deed.
Trustees	The Initial Trustees and/or the trustees for the time being of this Trust (as the case may be).
Trust Fund	The Covers, all title, benefits, rights and interests which may be payable under the Covers, all monies received or may be payable under the Covers and all property and monies added thereto by way of further settlement, accumulation of income or otherwise.
Trust Period	The period ending the last day of the period of 125 years from the date of this Deed.

Unless the context otherwise requires:

- words denoting the singular shall include the plural and vice versa; and
- words denoting any gender shall include all other genders.

References to 'child', 'children' or 'issue' of any person shall include his children, and remoter issue, whether legitimate, legitimated, illegitimate or adopted but shall exclude step-children.

# Section B – The Trust Provisions

## **1. Declaration of Trust**

The Settlor as the legal and beneficial owner of the Policy hereby declares that he or she holds the Policy and all the benefits payable under it on trust together with the Additional Trustees as Initial Trustees subject to the powers and provisions of the Trust as set out in this Deed.

## **2. Appointment of Additional Trustees**

The Settlor hereby appoints the Life Assured and Additional Trustees (if any) to act with the Settlor as Trustees of the Trust in accordance with the terms of this Deed and the Life Assured and Additional Trustees (if any) agree to be appointed as signified by them signing this Deed.

## **3. Discretionary power of appointment**

- (a) The Trustees shall hold the income and capital of the Trust Fund upon trust for the benefit of such of the Potential Beneficiaries, at such ages or times, in such shares, upon such trusts (which may include discretionary or protective powers or trusts) and in such manner generally as the Trustees shall in their absolute discretion appoint. Any such appointment may include such powers and provisions for the maintenance, education or other benefit of the Potential Beneficiaries or for the accumulation of income and such administrative powers and provisions as the Trustees think fit.
- (b) No exercise of the power conferred by sub-clause 3(a) shall invalidate any prior payment or application of all or any part of the capital or income of the Trust Fund under the trusts of this Deed or made under any other power conferred by this Deed or by law.
- (c) Any trusts and powers created by an appointment under sub-clause 3(a) may be delegated to any extent to any person, whether or not including the Trustees or any of them.
- (d) The exercise of the power of appointment conferred by sub-clause 3(a) shall be:
  - (i) subject to the application, if any, of the rule against perpetuities; and
  - (ii) by deed, revocable during the Trust Period or irrevocable, executed during the Trust Period.

## **4. Trusts in default of appointment**

- (a) Subject to any exercise of the power conferred by clause 3(a), the Trustees shall pay or apply the income of the Trust Fund during the Trust Period to or for the benefit of such one or more of the Potential Beneficiaries and in such shares if more than one and in such manner and upon such terms and conditions (if any) generally as the Trustees shall think fit.
- (b) Despite the provisions of sub-clause 4(a) above the Trustees may during the Trust Period retain and accumulate the whole or any part or parts of the income of the Trust Fund as an accretion to capital and the Trustees may apply the whole or any part of such accumulated income as if it were income arising in the then current year.
- (c) Subject as above, the Trust Fund and its income shall at the end of the Trust Period be held upon Trust for such of the Default Beneficiaries as are living in the proportions specified in Section C of this Trust or, if no such proportions are specified and there is more than one Default Beneficiary, in equal shares absolutely.

## **5. Settlor and Excluded Person unable to benefit**

No power or discretion conferred on the Trustees by this Trust or by law, either expressed or implied, may be exercised so as to cause or permit any part of the capital or income of the Trust Fund to become payable in any way to or for the benefit of the Settlor or any Excluded Person.

## **6. Irrevocability**

This Trust shall be irrevocable.

## **7. Number of Trustees and power to appoint new Trustees**

- (a) There must be at least two Trustees appointed at any given time one of which must be a person who is not the Settlor.
- (b) The power to appoint new Trustees shall be vested in the Life Assured during his or her lifetime (such appointments must be made by deed).

#### **8. Power to remove Trustees and retirement of Trustees**

- (a) The Life Assured shall, during his or her lifetime, have the power to remove any Trustee without giving reasons for doing so and without the need for the other Trustees to agree, provided at least two Trustees remain following the removal.
- (b) The Trustees shall have power to remove a Trustee who cannot be found provided that:
  - (i) the Trustee who is being removed has not been in contact with any of the other Trustees within a period of 12 months preceding the removal;
  - (ii) the other Trustees have made reasonable efforts to make contact with the Trustee who is being removed; and
  - (iii) The removal is effected by deed executed by all of the continuing Trustees being at least two in number including at least one who is not the Settlor and a declaration is made in such deed that all reasonable efforts were made to contact the Trustee who cannot be found and that the continuing Trustees have written to the missing Trustee's last known address without success and that they have attempted to contact the missing Trustee through all other addresses given to them during their investigation. Such declaration shall be conclusive evidence in favour of any person dealing with the Trustees in good faith.
- (c) A Trustee may retire by giving notice in writing to the continuing Trustees provided that following the Trustee's retirement, there are at least two continuing Trustees.

#### **9. Power to add or exclude Potential Beneficiaries**

- (a) The Trustees may by deed add or remove any person or class of person or charity nominated to them by the Life Assured during his or her lifetime to or from the class of Potential Beneficiaries.
- (b) The Trustees may by deed add or remove any person or class of person or charity nominated to them by the Life Assured during his or her lifetime to or from the class of Excluded Persons.

#### **10. Trustee delegation and powers of Settlor as lead Trustee**

- (a) Notwithstanding the trusts declared in this Deed, all powers conferred by the Policy on the Settlor shall be exercisable by the Settlor.
- (b) Notwithstanding the provisions of clause 10(a) above or any rule of law to the contrary, any of the Trustees or the Trustees jointly may authorise any person (including any one or more of the Trustees who may or may not be the Settlor/Life Assured) to exercise all or any functions on such terms as to remuneration and other matters as they think fit. A Trustee (or other person in a fiduciary capacity) shall not be responsible for the default of that person (even if the delegation was not strictly necessary or expedient) provided they took reasonable care in their selection and supervision. None of the restrictions on delegation in Sections 12 to 15 (inclusive) Trustee Act 2000 shall apply.

#### **11. Power to invest**

The Trustees shall have all the powers of investment granted to them by section 3 of the Trustee Act 2000 save that they shall not exercise such powers to invest any part of the Trust Fund in any wasting asset.

#### **12. Power of management**

The Trustees shall have all the powers of an absolute owner in relation to the management and administration of the Trust Fund.

#### **13. Valid receipt**

- (a) The Trustees may pay or transfer any assets comprised in, or income of, the Trust Fund to which any Minor is beneficially entitled, to that Minor or to any parent or guardian of that Minor and the receipt of the Minor or of that parent or guardian shall be a full discharge to the Trustees.
- (b) The Trustees may pay or transfer any assets comprised in, or income of, the Trust Fund to the person who purports to be the treasurer or other appropriate officer of any charity which is entitled to such assets or income, and the receipt of such person shall be a full discharge to the Trustees.

#### **14. Power to charge**

- (a) Any Trustee (except the Settlor), whether a solicitor or other person engaged in a profession or business, shall be entitled to charge and be paid all normal professional or other charges for business done, services rendered or time spent by such Trustee personally, or by such trustee's firm or company, in the administration of this Trust.
- (b) Any Trustee which is a trust corporation or company authorised to undertake Trust business shall be entitled to reimbursement of its proper expenses (including expenses incurred in connection with professional or other fees and charges for business done, services rendered or time spent by any firm or member of a firm associated or connected with such trustee) and to remuneration for its services in accordance with its published terms and conditions for trust business in force from time to time, and, in the absence of any such published terms and conditions, in accordance with such terms and conditions as may from time to time be agreed between such trustee and the Settlor, or if the Settlor is unfit, unable or unwilling to act, the person by whom the power of appointing new trustees is for the time being exercisable.
- (c) The Trustees shall have power to pay out of income or capital, as they may in their discretion determine, any expenses relating to the Trust Fund (or any assets comprised within it) or its administration.

**15. Other Trustee powers**

- (a) The Trustees shall in addition to the powers referred to above and to the powers conferred on them by law have the following powers.
- (b) To borrow money for any purpose (including investment and the payment of tax or the making of any loan) upon any terms and the Trustees may charge property comprised in the Trust Fund for this purpose.
- (c) To lend all or any part or parts of the Trust Fund upon such terms as they may in their absolute discretion think fit, and on either a secured or an unsecured basis, to any Potential Beneficiary or Potential Beneficiaries provided that the Trustees comprise at least two individuals of which at least one is neither the Settlor nor the Potential Beneficiary to whom a loan is proposed to be made and that any such loan is repayable within the Trust Period.
- (d) To effect any policy of insurance on the life of any person and in relation to any such policy the Trustees shall have all the powers of an absolute beneficial owner.
- (e) To retain all or any part of the Trust Fund in its actual condition and the Trustees shall be under no obligation in exercising their powers of investment to have regard to the need for diversification of investments.
- (f) To appropriate any part of the Trust Fund in or towards satisfaction of the interest of any Potential Beneficiary and may for such purposes place such value on any property as they think fit.
- (g) To amend or add to the administrative provisions of this Trust provided such amendment or addition is by deed.

**16. Liability for breach of trust**

The liability of a Trustee for breach of the Trust shall be limited to breaches arising from the Trustee's own fraud, wilful misconduct or gross negligence except in the case of a Trustee acting in a professional capacity. The Trustees shall not be liable for the default of a person acting under a delegated power pursuant to clause 10 of these Trust Provisions provided they took reasonable care in the selection and supervision of such person.

**17. No duty to consult**

The Trustees may exercise their powers with absolute discretion and are under no duty to consult the Potential Beneficiaries or accept instructions from any Potential Beneficiaries.

**18. Governing law and jurisdiction**

The governing law of this Trust shall be the law of England and Wales, without prejudice to the generality of the foregoing, that law shall govern the validity, construction, effects and administration of this Trust. The courts of England and Wales shall have exclusive jurisdiction in relation to the validity, construction, effects and administration of this Trust including, for the avoidance of doubt, in relation to the resolution of disputes regarding this Trust.



<b>Additional Trustee</b>	Full name of Additional Trustee	
	Full address of Additional Trustee	
		Postcode

<b>Additional Trustee</b>	Full name of Additional Trustee	
	Full address of Additional Trustee	
		Postcode

## Potential Beneficiaries (optional)

The persons (or class of persons) the Trustees can choose to receive the Trust Fund, **in addition to the persons already included and listed in the definition of 'Potential Beneficiaries'** in Section A).

Full name of Potential Beneficiary or definition of class	
Address (if applicable)	
	Postcode

Full name of Potential Beneficiary or definition of class	
Address (if applicable)	
	Postcode

Full name of Potential Beneficiary or definition of class	
Address (if applicable)	
	Postcode

# Default Beneficiaries (mandatory)

The person(s) the Trust Fund will be paid to (and in what proportions) if the Trustees have not exercised their discretion and distributed the Trust Fund to any of the Potential Beneficiaries during the Trust Period:

Full name of Default Beneficiary	
Address (if applicable)	
	Postcode

## Share (%) / Description of gift

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Full name of Default Beneficiary	
Address (if applicable)	
	Postcode

## Share (%) / Description of gift

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# Excluded Persons (optional)

The persons (or class of persons) the Trustees **CANNOT** pay, or choose to receive any of, the Trust Fund:

Full name of Excluded Person or definition of class	
Address (if applicable)	
	Postcode

Full name of Excluded Person or definition of class	
Address (if applicable)	
	Postcode

Full name of Excluded Person or definition of class	
Address (if applicable)	
	Postcode

# Execution of Trust

## **WARNING:**

BEFORE SIGNING THIS DOCUMENT PLEASE ENSURE THAT YOU HAVE CAREFULLY READ ALL OF ITS PROVISIONS AND THAT YOU HAVE TAKEN INDEPENDENT LEGAL AND TAX ADVICE ON THE TERMS OF THIS TRUST, ITS SUITABILITY TO YOUR NEEDS AND CIRCUMSTANCES AND ITS CONSEQUENCES (INCLUDING TAX CONSEQUENCES) OF SIGNING.

**EXECUTED AS A DEED** by the Settlor and the Trustee(s) and delivered on the date the declaration of trust is made.

### Signed as a deed for and on behalf of:

<b>Name of Employer/company/LLP/partnership</b>	
<b>Name of director/member/partner/sole trader acting on behalf of Employer company/LLP/partnership and at their direction (as Settlor and first Trustee)</b>	
<b>Signature of director/member/partner/sole trader</b>	

In the presence of:

<b>Independent witness</b>	Signature of witness	Full Name
	Address	
		Postcode

(Please note that the witness(es) should be independent and not related to the Employer, Life Assured or any of the Trustees.)

### Signed as a deed by:

<b>Life Assured employee (as first Additional Trustee)</b>	Signature of employee/Life Assured/first Trustee	Full Name
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In the presence of:

<b>Independent witness</b>	Signature of witness	Full Name
	Address	
		Postcode

(Please note that the witness(es) should be independent and not related to the Employer, Life Assured or any of the Trustees.)

<b>Additional Trustee</b>	Signature of Trustee	Full Name
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In the presence of:

<b>Independent witness</b>	Signature of witness	Full Name
	Address	
		Postcode

(Please note that the witness(es) should be independent and not related to the Employer, Life Assured or any of the Trustees.)

<b>Additional Trustee</b>	Signature of Trustee	Full Name
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In the presence of:

<b>Independent witness</b>	Signature of witness	Full Name
	Address	
		Postcode

(Please note that the witness(es) should be independent and not related to the Employer, Life Assured or any of the Trustees.)

<b>Additional Trustee</b>	Signature of Trustee	Full Name
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In the presence of:

<b>Independent witness</b>	Signature of witness	Full Name
	Address	
		Postcode

(Please note that the witness(es) should be independent and not related to the Employer, Life Assured or any of the Trustees.)

Aviva Protection UK Limited. Telephone 0345 600 6820. Registered in England and Wales. Number 6367921.  
Registered address: Aviva, Wellington Row, York, England, YO90 1WR. Aviva Protection UK Limited is  
authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the  
Prudential Regulation Authority. The registration number is 473752.

**[protection.aviva.com](https://protection.aviva.com)**

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