



Renaissance Legal

Helpful definitions

A quick-reference guide to legal jargon used when choosing Trustees.

Trust

the formal transfer of assets from you to others to hold for the benefit of someone else.

Settlers

the people setting up a Trust.

Beneficiaries

the person(s) who will benefit from the assets held in trust.

Trustees

the people (or company) holding the assets.



Choosing Trustees

It is necessary for the Settlers (the people setting up a Trust) to choose who they wish to act as the Trustees even if those Trustees may not need to act in the role until some time in the future. A Trustee is the person responsible for managing the assets held in the Trust and administering the Trust for the benefit of the beneficiaries.

One of the toughest decisions to make when setting up a Trust is choosing your Trustees, this is an extremely important decision as the people you choose will be responsible for managing the Trust and making important decisions that will affect the beneficiaries. It can take time to think through your options and come to a decision but it is necessary to do this to ensure your Trust is run as you would like it to.

Who can be a Trustee?

A person must be over 18 to be a Trustee and they must be someone that you, the Settlor, feel is responsible enough to carry out your wishes and ensure that all decisions are made for the benefit of the beneficiaries. The Trustee can be a family member, a friend or a professional person. It is also possible to appoint a Trust Company to act as a Trustee.

Complementary Services

Our lawyers are experienced in acting as professional Trustees. In this role we always consider your wishes when administering the Trust and, wherever possible, liaise with the beneficiaries, their families and carers, to ensure their needs and requirements are met.

When setting up a Trust it is a good opportunity to review your financial circumstances, any tax planning you have in place and consider making a Lasting Power of Attorney.

As lawyers we are not permitted to provide you with financial planning advice but we work closely with local and national Independent Financial Advisors.

This information sheet is intended as guidelines for clients and other readers. It is not a substitute for considered advice on specific issues. Any action taken depends upon your individual circumstances. Consequently, we cannot accept any responsibility for action which may be taken as a result of reading this information sheet or for errors or omissions contained in this information sheet.

The maximum number of Trustees you can have is 4, but people most commonly have 2. If there are too many Trustees then it can be difficult to manage the administration. The Trustees need to work together and make decisions unanimously.

Practical considerations

There are practical considerations to be made when choosing Trustees, for example where do the Trustees live. Can they all meet regularly or arrange to be in touch when decisions need to be made? It is possible to appoint a Trustee who lives outside the UK but you should consider how easy it will be for them to be involved with meetings and signing documents. Another consideration is how old they are, Trusts generally become active once the person who has set up the Trust has died, it's important to consider who is more likely to be around and willing to act at that point.

Do all the Trustees you have chosen get on? Often a group of Trustees will include family members or friends that you know well and get on with. However, the individuals themselves may not know each other and may have very different views. Some thought needs to be given as to how the chosen group will work together.

Planning

We encourage you to talk to your potential Trustees before you appoint them. By explaining the role to them and giving them a chance to talk to you about your expectations, you can often prevent problems arising in the future. It also gives them the opportunity to say no before they have been appointed and then you can decide who else to appoint.

Reviewing your decision

If circumstances change then you might want to change the Trustees, you have appointed. You should always keep your Trust under review and make changes when they are needed.

How can Renaissance Legal help?

We will guide you through the process of choosing trustees to suit your needs and personal circumstances.

If you would like to discuss this further then please call us on 01273 610 611 or email us at info@renaissancelegal.co.uk