

Trusts are predominantly used to avoid Isle of Man Probate, transfer or gift assets for succession and for tax planning and asset protection purposes. This document highlights the differences between each RL360 trust and points out the main features of each trust type. For a detailed insight into our trust range, please refer to our Guide to Trusts booklet.

	Isle of Man Probate Trust	Beneficiary Trust	Loan Trust	Gift Trust	Discounted Gift Trust (DGT)	International Flexible Trust
What is the purpose of the trust?	To avoid obtaining Isle of Man Probate when the plan owner dies	To nominate beneficiaries to receive plan proceeds after death - this means the trust will not come into effect until after the death of the last plan owner	To gift only the growth of a plan and retain access to capital. Only the growth is outside of the Settlor's estate for IHT purposes	To gift the entire plan out of the Settlor's estate	To make a gift subject to the Settlor being able to retain an income for life (Maximum age of Settlor must be no greater than 86 next birthday)	Designed for individuals that are not treated as being long-term UK resident
Is it suitable for individuals treated as UK long term resident?	YES	Can be used, but would only avoid the requirements for Isle of Man Probate. The trust would offer no UK IHT benefits	YES	YES	YES	NO
Is it suitable for individuals not treated as long term resident?	YES	YES	YES - but if the Settlor has no UK IHT liability, it would make no sense to use this trust type	Only where the Settlor wants nothing to do with the plan	YES - But if the Settlor has no UK IHT liability, it would make no sense to use this trust type	YES
Can this trust be used with an existing plan?	YES	YES - but cannot be used where the plan has been written on a Joint Life First Death event basis	NO - to be used with a new RL360 application only	YES	YES	YES
Is it effective for IHT planning?	NO - there is no IHT planning available with this trust type as the plan remains part of the Settlor's estate	NO	YES - the outstanding loan amount remains in the settlor's estate for UK IHT. However, any growth is outside the settlor's estate from commencement	YES	YES - Mainly used for IHT planning	NO - unless the Settlor has been excluded as being able to benefit
Does it fall under Potentially Exempt (PET) or Chargeable Lifetime Transfer (CLT)?	N/A - assets remain in Settlor's estate	N/A - assets remain in Settlor's estate	N/A - there is no transfer of value for UK IHT	Bare Trust = PET Discretionary Trust = CLT	Bare Trust = PET Discretionary Trust = CLT	CLT if the Settlor is treated as UK long term resident
Can it be used on a Bare or Discretionary basis?	Settlor is only beneficiary	Both	Both	Both	Both	Discretionary ONLY
Can the Settlor have access to the trust fund?	YES	NO - the trust is only created following the death of the Settlor	NO - the Settlor is only entitled to the repayment of the loan	NO - the Settlor is excluded from benefiting	YES - Settlor is only entitled to the income payments for their lifetime	YES - but only at the discretion of the trustees
Can the Settlor be a beneficiary?	YES - they are the sole beneficiary	NO	NO	NO	NO	YES - they are one of many beneficiaries
What RL360 plans can the trust be used with?	LifePlan, PIMS, Oracle, Paragon, Quantum, Regular Savings Plan and any of our Wrap offshore plans	LifePlan, PIMS, Oracle, Paragon, Quantum, Regular Savings Plan	PIMS, Oracle and any of our Wrap offshore plans	PIMS, Oracle, Paragon, Quantum, Regular Savings Plan and any of our Wrap offshore plans	PIMS, Oracle and any of our Wrap offshore plans	PIMS, Oracle and any of our Wrap offshore plans

IMPORTANT NOTES

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Please note that every care has been taken to ensure that the information provided is correct and in accordance with HM Revenue & Customs (HMRC) practice.

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