Keystone Estate Planning
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PLAIN-ENGLISH GUIDE

Understanding Trusts

What trusts do, who they help, and how to find out whether one belongs in your estate plan.

Important: this guide is a general overview only. It is not financial, legal, or tax advice. Whether a trust is right for you depends entirely on your circumstances, which is why we always start with a proper conversation before anything is set up.

What is a trust?

A trust is a legal arrangement in which you (the settlor) pass assets to people you trust (the trustees) to look after for the people you want to benefit (the beneficiaries). It lets you control when and how assets are handed over, rather than passing everything outright in one go.

The three roles in every trust

The settlor

The person who creates the trust and puts assets into it.

The trustees

The people who legally hold and manage the assets, following the rules of the trust.

The beneficiaries

The people the trust exists to look after.

Common types of trust

Bare trust

The beneficiary has an absolute right to the assets. Often used for children, who can access the assets at 18 in England and Wales.

Discretionary trust

The trustees decide which beneficiaries receive what, and when. Useful where flexibility matters or a beneficiary cannot manage money themselves.

Life interest trust

One person (often a surviving spouse) can benefit during their lifetime, with the capital preserved for others, such as children, afterwards.

Vulnerable person trust

Designed to look after a disabled or vulnerable beneficiary without putting their long-term security at risk.

When a trust can help

- ✓ Providing for children from an earlier relationship while looking after your current partner
- ✓ Protecting a vulnerable or disabled family member's long-term interests
- ✓ Controlling when younger beneficiaries inherit, rather than handing everything over at 18
- ✓ Keeping control over how family assets are managed after you are gone

How Keystone helps

Trusts are powerful but they are not right for everyone, and setting one up for the wrong reasons can cause real problems later. That is why we never sell a trust off the shelf. Instead, one of our specialists will talk through your situation, explain your options in plain English, and give you an honest view on whether a trust fits. If it does not, we will tell you.

- ✓ A no-obligation suitability conversation with a specialist
- ✓ Plain-English explanations, with the trade-offs spelled out
- ✓ Documents prepared and checked by our document specialists when a trust is right for you
- ✓ Service for England and Wales

Wondering whether a trust fits?

Call us free on

0800 055 4321

8am to 8pm · no obligation · keystoneestateplanning.co.uk