

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/ Excluded Property 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 non-UK domiciled individuals and can be used for UK IHT planning and/or succession planning.
Is it suitable for UK domiciled individuals?	YES	Can be used by UK domiciled Settlers to avoid Isle of Man Probate only - there are no IHT benefits as the plan under this trust forms part of the Settlor's estate.	YES	YES	YES	NO
Is it suitable for Non-UK domiciled individuals?	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 it is being used as an Excluded Property trust
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	N/A - if created whilst Settlor is non-UK domiciled
Can it be used on a Bare or Discretionary basis?	Bare ONLY	Both	Both	Both	Both	Discretionary ONLY
Can the Settlor have access to the trust fund?	YES	NO - as the Settlor is dead.	NO - the Settlor is only entitled to the repayment of the loan	NO - but if they did it would be a Gift with Reservation (GWR) if they were UK Domiciled	YES - But only where they have an Access Fund	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 (where the settlor is non-UK domiciled)

IMPORTANT NOTES

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.

Please note that every care has been taken to ensure that the information provided is correct and in accordance with our understanding of law and Her Majesty's Revenue and Customs' (HMRC) practice as at March 2019.

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