

Personal Injury Trusts

A Personal Injury Trust can be created to preserve compensation received following accidents, criminal injuries, or vaccination damage.

Why do I need a Personal Injury Trust?

The receipt of money as a result of a claim may stop your means tested benefits if the value of your savings will then exceed certain limits.

The Government has agreed to allow these benefits to be preserved if the funds are placed in trust. Provided that the trust is carefully drafted, the money within the trust can then be made available for you without having any long term impact on your benefits.

Even if you do not currently receive benefits, consider what would happen if you become entitled later in life. If a trust is set up, you can retain the trust funds and also maximise the level of state funding and support you receive.

If you need to go into residential care at some point in the future, or have care provided for you at home, the creation of a Personal Injury Trust will protect your compensation from being used to pay for your care.

Some of the benefits affected by compensation are:

- Income Support
- Housing Benefit
- Council Tax Benefit
- Working Families Tax Credit
- Disabled Person's Tax Credit
- Income based Jobseekers Allowance
- Assistance from Social Services with Community Care Costs
- Local Authority Nursing Care fees.

How do I set up a Trust?

Contact Brethertons and we will work with you in carefully creating a suitable trust.

Trustees

You will need to select and appoint Trustees. They will look after the trust fund. They will also authorise any spending from the trust. It is important that you can rely on the Trustees as you will be dependant on them agreeing to release funds to you. You can choose up to four Trustees who may be friends or relatives. Brethertons can also act as Trustees should you wish us to.

Beneficiaries

These are the people who could receive money from the trust. One of the beneficiaries will be the person who suffered the injury and was entitled to compensation. You must also name other members of the family who could potentially benefit too. This makes sure that the nature of the trust is correct and has the added benefit that the trust can continue into the future and benefit your own children.

Once the trust document has been completed, then the money can be placed into an account set up for the trust. The Trustees will need to have yearly meetings to ensure that the trust is running correctly.

It is important that advice is taken as soon as possible in order that your benefits can be protected.

What about the money?

The money is intended to be used for your benefit and can be spent on anything you require. There are no restrictions on how the money is to be used and the Trustees should pay the money out when you request it.

Financial Advice

As soon as possible, the Trustees need to take specialist advice from an Independent Financial Adviser (IFA) who will advise on how best to invest the trust funds for long term financial security.

What happens if my Trustees won't let me have the money?

This is why it is important that you choose and appoint Trustees that you know will act only for your benefit.

Do I need to inform the Benefits Agency of the existence of the Trust?

Yes. We will do this for you and will need your National Insurance number and the addresses of your local Benefits Agencies.

How do I get more information?

We are regional law firm who have been in business for over 200 years, we have the necessary depth and breadth of expertise to advise you. Make an appointment to see a specialist today.