WRIGLEYS

SOLICITORS

PERSONAL INJURY TRUST SERVICES CLIENT GUIDE

PERSONAL INJURY TRUST

Setting up your Personal Injury Trust should be simple, quick and stress free.
This guide aims to answer any and all questions that you may have.

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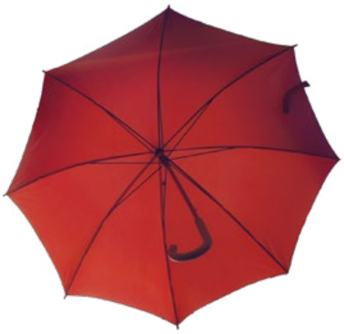
WHAT IS A PERSONAL INJURY TRUST?

A Personal Injury Trust is a binding agreement about how your personal injury compensation should be held and used for your benefit in the future.

It is created when you sign a legal document called a ‘trust deed’.

The trust deed sets outs how your personal injury compensation should be held and managed:

1. It names the people who you have chosen to look after your compensation for you; they are called your ‘trustees’.
2. It sets out how the money is to be looked after in the future, and how it may be invested.
3. Usually, you would be the only person named to benefit from the funds held within the Personal Injury Trust.



It is up to your chosen trustees to decide how the money in the Personal Injury Trust is managed. They have a legal duty to ensure that the money is held, invested and used in your best interests. Ultimately, as sole beneficiary, you have the right to use the trust funds as you wish.

WHAT PAYMENTS CAN BE MADE INTO A PERSONAL INJURY TRUST?

As the name suggests, only payments derived from a personal injury can be paid into a Personal Injury Trust.

Usually, such payments are derived from a personal injury award, but they are not limited to court-awarded damages and negotiated settlement sums.

Such payments might also include:

- Insurance payments
- Other forms of compensation

It is important that only funds received as a result of your injury are placed into the Personal Injury Trust as ‘mixing’ with other funds can make the trust invalid.

WHAT ARE THE ADVANTAGES OF A PERSONAL INJURY TRUST?

To protect your entitlement to means-tested benefits

If your personal injury compensation is held in a Personal Injury Trust, it will not affect your entitlement to claim most means-tested benefits.

It is important to note that the Department for Work and Pensions (DWP) will disregard the first payment made in consequence of personal injury for a period of 52 weeks. This gives you time to get your finances in order and to set up a Personal Injury Trust.

If an interim payment has been made during the claim, the 52-week period will start running from the date the first interim payment is made.

This allows you, and your partner, to continue to receive those benefits in the future.

Means-tested benefits currently include Income Support, Income Based Employment Support Allowance, Income Based Job Seekers Allowance, Universal Credit and Housing Benefit.

You may continue to be entitled to Council Tax Support if you are a pensioner. For those of working age, some Local Authorities also allow entitlement to remain, although they do so at their discretion and so entitlement cannot be guaranteed.

Keeping your entitlement to means-tested benefits is perfectly legal and permitted by the benefits regulations.

You should ensure that any money held in bank accounts outside of the trust is kept below the capital and income limits for means-tested benefits.

Personal security

If you have worries about friends or family members putting on pressure because they know that you have received some money, your trustees can help you to resist that.

To protect your entitlement to residential care home funding

If your personal injury compensation is held in a Personal Injury Trust, it will not affect your entitlement to Local Authority residential care home funding.

This may not be relevant to you now, but can be of huge financial benefit if you have to go into a residential care home in years to come.

To protect your entitlement to funding for care at home

Capital held in a Personal Injury Trust, as well as investment income on that capital, will be disregarded indefinitely in the local authority means test. This is especially important where the compensation funds are insufficient to pay for care in full either presently or in the future.

Family and Bankruptcy proceedings

Holding the funds in a Personal Injury Trust can help in any future family or bankruptcy proceedings.

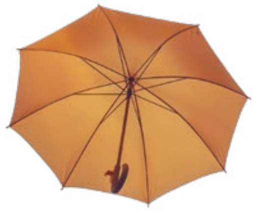
The Family Court and trustee in Bankruptcy can take your award into account, even when in trust. However, holding it within a trust can define what those monies have been paid for. It may be more persuasive to a judge in such proceedings that your award should remain in a trust for your future.

Peace of mind

Your chosen trustees will administer your personal injury compensation within the Personal Injury Trust.

Your trustees can assist you in making sometimes difficult decisions about investments and budgeting as well as assist you with tax returns, continuing to claim benefits and many other matters.

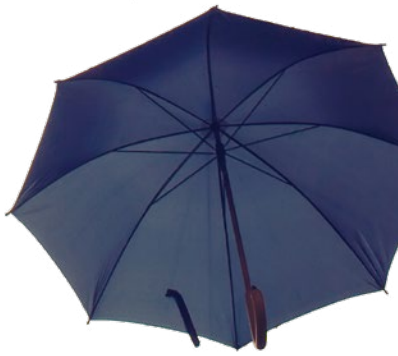
HOW SHOULD I CHOOSE MY TRUSTEES?



Your trustees are responsible for looking after your personal injury compensation for your benefit, so who you choose is an important decision.

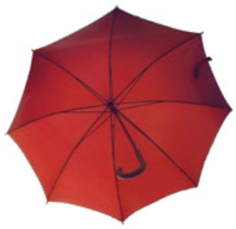
You should make sure that all the people you choose to be trustees are:

1. Over 18 years old and mature enough to take on the responsibility.
2. Good with money.
3. Not under any adverse influence from others.
4. Not in any financial difficulty.
5. Not likely to fall out with you or your other trustees in the future.
6. Only going to act in your best interests.



Other things to bear in mind:

1. You should have at least two trustees.
2. You can be a trustee of your own Personal Injury Trust, however this can sometimes pose difficulties; for example if you ever wished to apply for some Local Authority Disability Grants.
3. You can decide to change your chosen trustees at any point whilst you retain the capacity to make that decision.
4. Having an independent professional trustee can be an advantage, because they will:
    a. fully understand the relevant areas of law.
    b. have a wealth of experience in managing personal injury funds.
    c. help to balance decision making.
    d. help you to avoid making costly mistakes.
    e. help to lift the burden from family and friends.



Choosing trustees is not something to be taken lightly and your chosen trustees should be aware of the responsibilities they are taking on.

If you have any questions about choosing your trustees, please contact us so we can discuss the options available.

There is more information about having a professional trustee on the following page.

SHOULD I HAVE A PROFESSIONAL TRUSTEE?

It can be a significant burden to ask your family members or friends to take on the responsibility of being a trustee. It can also cause difficulties if there are disagreements about financial decisions.

However, some people also like to have family members or friends involved as trustees.

There are several options available when considering who to choose as trustees:

1. To have just family members or friends as trustees.
2. To have family members or friends acting jointly with a professional trustee.
3. To have a professional trustee acting on their own.

Where we are asked to act as a professional trustee, we use our own trust corporation, set up specifically for this purpose, called Wrigleys trustees Limited.

Several members of our team are directors of Wrigleys trustees Limited and authorised to make decisions. This allows any of them to sign off transactions on Personal Injury Trust accounts, to ensure that we can deal with matters for you quickly.

The appointment of Wrigleys trustees Limited removes the need to change a trustee in the future, say if an individual solicitor were to retire or leave the firm. This can save on legal costs in the future and ensures continuity for our clients.

CAN I CHANGE MY TRUSTEES?

It is possible to change your trustees in the future. This can be straightforward if everyone is in agreement. However, it can be difficult if a particular person does not want to step down from being a trustee.

It is best to choose the right trustees from the start and you should try to avoid appointing someone who you may fall out with in the future.

You should also avoid appointing a person who may become seriously ill in the future. It can be a slow and costly process to replace a trustee who is too ill to be able to perform their duties, and there may be problems accessing your funds in the meantime.

If a trustee dies, they can be replaced and you should seek legal advice about this as soon as possible. Replacing a deceased trustee will incur additional costs.

There will inevitably be costs associated with changing trustees, which is why we suggest you consider who you wish to appoint at the outset carefully.

CAN I END MY PERSONAL INJURY TRUST?

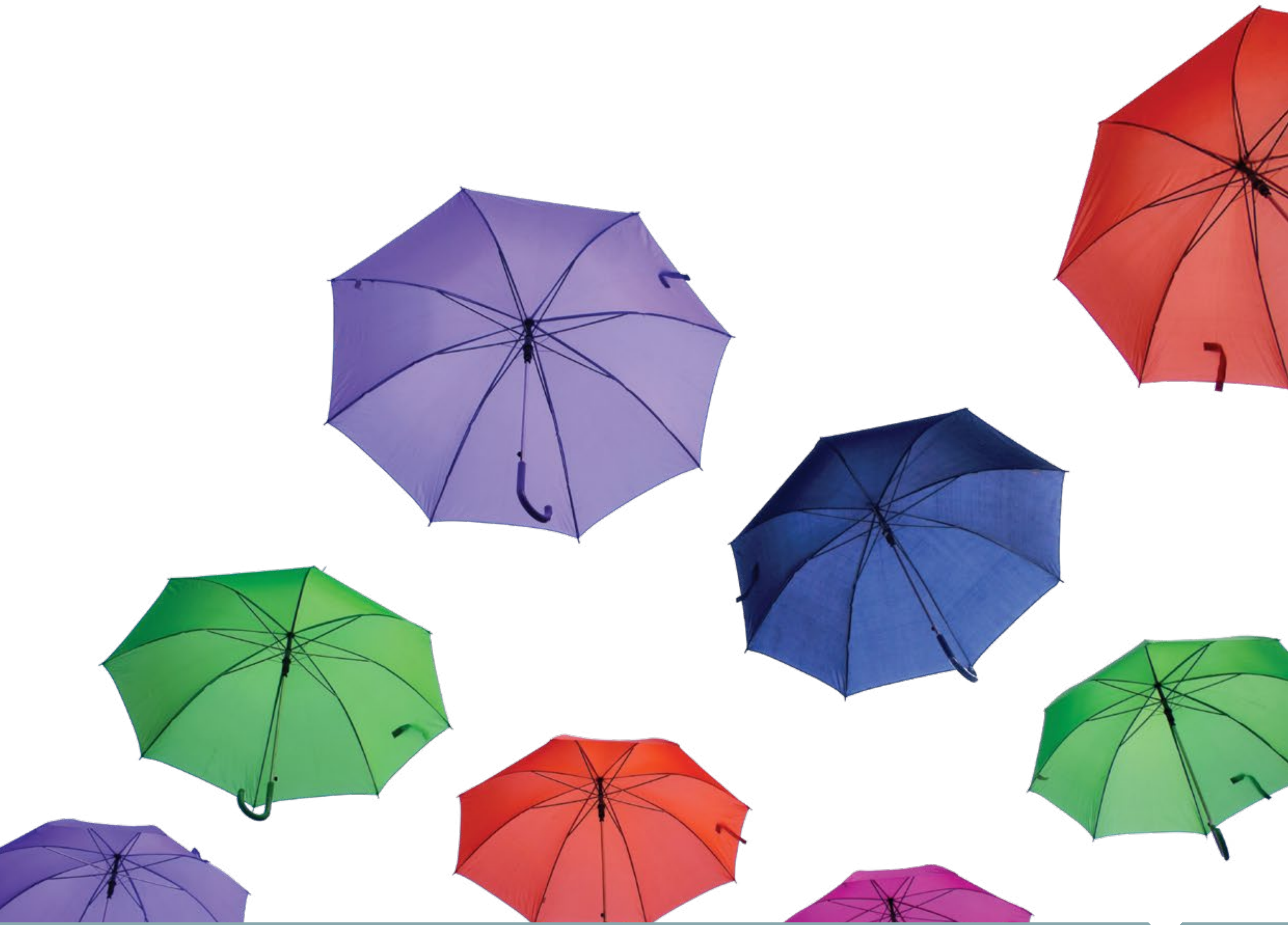
In most circumstances you can choose to end your Personal Injury Trust at any time. You can insist that the trust be wound up and that trust money and assets be transferred to you. Any benefits associated with the trust would also end.

However, we would usually advise against this. It is often better to keep your Personal Injury Trust in place, or to change your trustees if you wish.

HOW DO I SET UP A PERSONAL INJURY TRUST?

We are able to arrange and set up a Personal Injury Trust by telephone and post for a fixed fee. We are also able to offer a meeting in person.

The benefits of a Personal Injury Trust often outweigh the cost of setting one up. Details of our fees can be found on page 9.



HOW WILL MY PERSONAL INJURY TRUST BE RUN?

Where Wrigleys trustees Limited is appointed as a trustee, we will provide administrative support services and deal with matters once the Personal Injury Trust is set up.

In cases where Wrigleys trustees Limited is not appointed, it is the responsibility of the appointed trustees to deal with the Personal Injury Trust appropriately. However, we can provide administration and assistance if required.

The award from the personal injury claim should be paid into an account set up in the name of the trustees. This can include a suitable trust client account here at Wrigleys.

At that stage it is appropriate to notify the relevant benefits office and the Local Authority that the Personal Injury Trust has been set up.

Receiving funds from your Personal Injury Trust

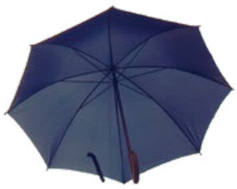
It is important that you take care, whenever you receive funds from your Personal Injury Trust, to ensure that they do not affect your entitlement to means-tested benefits. Therefore, it is important to adhere to the following principles:

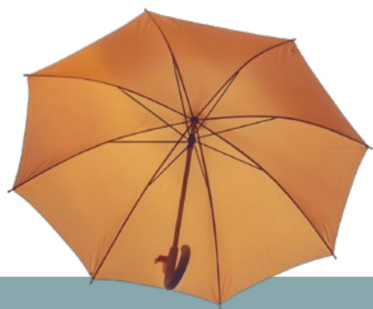
1. Regular payments from the Personal Injury Trust can be made with the agreement of the trustees.
2. Funds can be transferred from your Personal Injury Trust into an account in your own name. However, you should ensure that your funds do not exceed the capital limits for the benefits that you are receiving.
3. For most means-tested benefits, you should not hold more than £6,000 in your own name, outside of the Personal Injury Trust, at any time (this capital limit applies to the combined amount held by both you and your partner, if you are deemed as a "claimant unit" for benefits purposes).
4. You can ask your trustees to pay third parties directly from the Personal Injury Trust. Such payments will not be taken into account by the Benefits Agency. For example, direct debits can be set up to pay for utility bills from the trust.
5. You can pay for things with your own money and be reimbursed from the trust. However, you should always keep your own funds below the capital limits.
6. You should keep all receipts for purchases made with funds from the Personal Injury Trust, or where you are going to be reimbursed from the trust, so that you can produce these if required.

If you are aged 60 or over then some of the means-tested benefits rules may be more generous than described above. However, working within the rules above should still ensure that you retain your benefit entitlement.

Any requests for funds must be agreed and authorised by all of the trustees.

Any income generated in the Personal Injury Trust, such as interest or dividends, should be retained within the Personal Injury Trust account. You should not personally receive any income generated by the Personal Injury Trust.





The ongoing management of your Personal Injury Trust

Where our trust corporation, Wrigleys trustees Limited is appointed to act as trustee, one of our experienced paralegals will be your main point of contact on a day to-day basis. They are based in our office most of the time and are easy to contact as and when you require.

The involvement of our wider team, and a dedicated experienced paralegal helps to ensure that our fees remain as low as possible.

One of our specialist solicitors will meet with you to discuss your circumstances and the management of your Personal Injury Trust. They will consider matters of a legal nature or matters which require a degree of expertise. They will usually meet you once a year for an annual trustee review meeting, however they can meet you more often if your circumstances require.

Our team of solicitors and fee earners together will undertake the work that you require in your particular circumstances. Different members of our team will be involved if you require assistance in their respective areas of expertise. Our aim is to provide you with a continuing quality service that is both supportive and cost-effective.

Our paralegals have specific experience of the litigation process and the administration of trusts involved in litigation.

We are happy to visit you in your own home or meet at our offices if you would prefer. We are keen to ensure that you are aware of how your Personal Injury Trust is managed and that you remain involved in decision making as much as you wish.

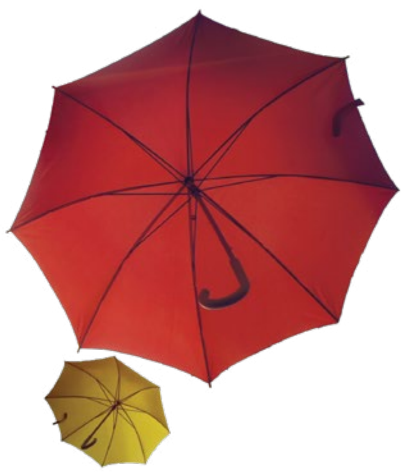
Our fees

The fixed fees below cover the setup of a Personal Injury Trust, including all post setup steps such as notifying the relevant DWP departments. We can also provide assistance with opening a trustee bank account at the same time, if required.

Our fees are straightforward and transparent, and we are always happy to discuss how they can be kept appropriate for your circumstances.

There may be times when we need to undertake additional work in relation to the set up of a Personal Injury Trust and as required, this will be discussed at the outset and a fee agreed.

Basic Personal Injury Trust	**£900**+VAT
Addition of assistance with opening a trustee bank account	**+£250**+VAT



THE WRIGLEYS TEAM

Wrigleys has a specialist team who deal with asset protection, particularly setting up Personal Injury Trusts for those who have sustained injury.

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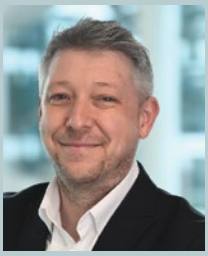

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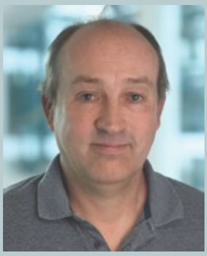

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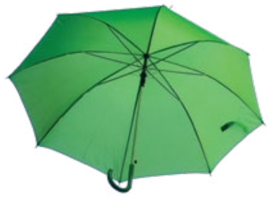
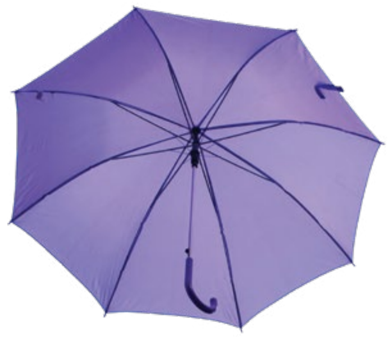
ABOUT WRIGLEYS SOLICITORS



Wrigleys are widely regarded as amongst the market leaders in the field of asset protection including Personal Injury Trusts. As a firm we undertake no litigation work; we are a private client firm providing a range of specialist services.

As a firm we also specialise in dealing with complex wills, trusts, matters involving the Court of Protection (including acting as professional deputy), administration of a deceased's estates, elder care and property related issues.



Wrigleys is highly regarded for its ability to meet the needs of its clients in the independent guides to the legal profession: 'Chambers & Partners' and 'Legal 500'.

WRIGLEYS

SOLICITORS

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