



A discretionary trust can help  
give your loved one a secure  
financial future.

Many families worry about how loved ones will manage financially when their parents are no longer around. A discretionary trust may be the answer.

This brochure explains what a discretionary trust is, how the Mencap trust service works and how you can find out more.

At Mencap we know that each individual's circumstances are different. We listen carefully to trust beneficiaries, their families and supporters to ensure each person's trust fund really does enhance their life.

We are committed to being here, decade after decade, whatever the future may hold.



Peace of mind for you, security for your loved one

## Introduction

In choosing the Mencap Trust Company families know that they have put funds and property in a safe place. Anyone can use our discretionary trust service to help provide for a vulnerable loved one's future.

Unlike many other trusts, a **discretionary trust** fund allows you to make financial provision in a way that does not affect means-tested benefits or entitlements.

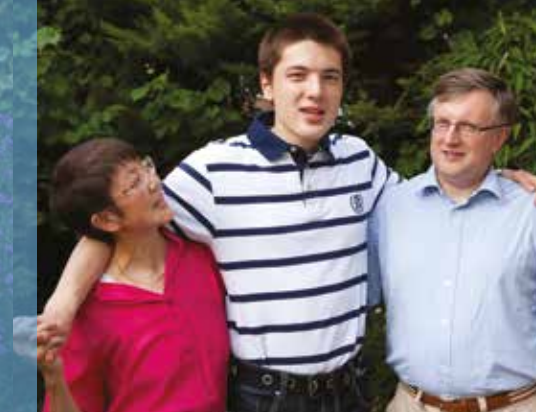
## A message from our chair



Alan Jenkins  
Chair Mencap Trust  
Company Ltd

I have a daughter with a learning disability so I know that worrying about a vulnerable family member is constant. We can help to lessen that worry.

We have one aim – to look after the interests of our beneficiaries, your loved ones, as effectively, professionally and economically as possible. We never forget that each person is different, with different needs. We are here for each.



Trust funds are there for the extras that enrich peoples' lives

## About our service

Since 1976 the Mencap Trust Company has enabled parents, grandparents and others to set up over 2,000 trusts.

Each **trust fund** is used to provide things that will make a difference. We constantly monitor how each trust is being used. Face to face review meetings are at the heart of our service. These help build relationships so that our beneficiaries and the important people in their lives are confident about asking for funds.

The trust is not there to replace means-tested benefits. Before approving a request we will check – and if necessary challenge – if we think an item or service is a legal right.

We also have a scheme called **Our House** which can help ensure that your loved one has a secure home. You might want to consider this if your child is living with you as an adult, or if you have bought a property for his or her use. A separate brochure is available on request .

“ The trust set up by Helen’s father meant she received care from familiar staff when she was admitted to hospital. She also receives ongoing extra support in her new home. ”

*Pat Griffin, friend and advocate*

## Is Mencap Trust Company right for your family?

Only you can decide if a Mencap Trust Company **discretionary trust** is the best option for your family. The Trust Company team will answer any questions you or your solicitor have.

### Reasons for choosing the Mencap Trust Company:

- You want to safeguard your loved one’s benefits and entitlements.
- You want a **trustee** who will always be well informed about learning disability rights and will understand your loved one’s needs.
- You do not want to place the long term commitment and legal and financial responsibilities of managing a trust on family or friends.
- You foresee changing family circumstances that may prevent family members from taking on the trust, for example because they move away, suffer ill health or even die prematurely.
- You want a permanent professional body that is experienced in the issues that arise around administration of trusts.

“ It gives me peace of mind. My son will not have to worry about the financial practicalities and will just be a friend to his sister. ”

*Joan Bowles*



“I use my fund to buy things for the flat. Last year the trust paid for me to go on holiday and for a party on my birthday”. *Daphne*

“The Trust fund has been very beneficial – taking care of my holidays, my massage therapy, arts and craft sessions and also my mobility vehicle. I want to stay with the Trust”. *Ron*

## Daphne's story

Daphne lives in her own flat. Each year she and her support worker think about what she would like from the trust. Together they work out a budget to decide what is most important. Daphne's support worker then helps her request money.

We keep in regular contact with Daphne and her support team by phone and letter. We also have face to face review meetings every two years, which helps us to check that everything is running smoothly.

Daphne's trust allows her to maintain her flat to a good standard while keeping up with a busy social life and leisure activities. The trust also pays to make birthday and Christmas celebrations extra special.

Funds are used at the discretion of the Mencap Trust Company (represented by six volunteer directors). How funds are used reflects the unique personality, lifestyle and interests of the beneficiary. When you set up a trust you will be asked to write a **letter of wishes** which will help guide our decisions.

## Ron's story

Ron's trust was activated 20 years ago and has been used in different ways as Ron's needs, particularly his health needs, have changed.

Ron has limited mobility, which is greatly helped by the mobility vehicle we bought for him. We also pay for fuel, car tax, insurance and maintenance. Ron now has the freedom and flexibility to travel when he wishes, with help from his support staff.

The trust pays a befriender to accompany Ron at weekends meaning he can attend church regularly. We also support Ron's long-term passion for art by paying for regular art therapy sessions. The results can be seen in Ron's paintings, which are on display in his lounge.

The trust fund is there to make life better. The most important thing we do is to understand your loved one's needs, their interests, and the challenges they may face. Requests range from the purchase of a bed to a dream holiday. Ron and Daphne are just two of the people we look after.

## Frequently Asked Questions

### 1 Will you help me complete the paperwork?

Yes. Your first step is to talk to your solicitor about our service. If you then choose us we will guide you through the paperwork, and confirm that the **trust deed** is sealed and safely stored. Every two years we will check your details are up-to-date.

When the time comes we will help the beneficiary and the people important in his or her life to access the trust.

### 2 What is a letter of wishes?

A **letter of wishes** sits alongside the **trust deed**. It often includes information about your loved one's interests and preferences, and family connections. It guides trustee decisions, but is not legally binding.

### 3 How does a discretionary trust work?

The Trust Company accepts responsibility and has complete discretion for all decisions affecting the use and investment of funds. The beneficiary does not have an automatic entitlement to trust funds. For this reason the trust cannot impact on means-tested benefits and entitlements.

The Trust Company holds the assets in trust, to maintain and manage throughout the beneficiary's life.

### 4 Would you recommend a disabled persons trust?

A **Disabled persons trust** (DPT) is available to qualifying beneficiaries. It offers potential tax advantages but also reduces the powers to the trustee. Only you can judge if a DPT is the best choice for your family. You will need expert advice to decide this. Mencap Trust Company offers a standard discretionary trust and a Disabled Persons Trust.

### 5 Should I add funds to the trust during my life time?

A **lifetime settlement** gives parents the opportunity to see the Trust Company in action, and allows them to help their loved one learn how to use the trust well.

We have seen how the death of a parent can end the way of life the beneficiary knew, particularly when living in the family home. A lifetime settlement ensures we have resources to support your loved one straight away. Your solicitor can advise on other ways of providing cash for the period between death and granting of probate.

### 6 I have a pension. Can that be placed in trust?

You can ask your Pension Trustee to put any remaining pension into a discretionary trust payable to a vulnerable dependent.

### 7 How do the review meetings work?

These are structured but informal interviews with the beneficiary and their supporters. Each is an opportunity to discuss health, lifestyle, financial position, ambitions and challenges. The beneficiary receives a report which they and their supporter check and sign off.

Review meetings are held every 1 to 3 years depending on the value of the trust. They are also scheduled when important changes happen in the beneficiary's life such as moving home.

### 8 How does the beneficiary ask for money from the trust?

There is no limit on the number of times a trust can be accessed. Requests can be e-mailed or posted, often after talking through details with us on the phone. A straightforward request can be approved immediately. Other requests are referred to our volunteer directors. If a request is refused this is explained and an alternative is often reached.

### 9 When is a trust 'wound-up'?

When the **primary beneficiary** passes away any remaining funds are distributed as specified by the **settlor** in the original **trust deed**. **Residuary beneficiaries** may be siblings, friends and even charities. If no one is named then Royal Mencap Society receives the balance.

## Corporate information

Mencap Trust Company is an independent not-for-profit limited company owned by Royal Mencap Society. Our six volunteer directors have experience in finance, law, fund management, social work and inclusion. Four have children with a learning disability. One has a learning disability himself.

Mencap Trust Company complies with the Trustee Act 2000 and the Companies Act 2006.

Three key organisations help us expertly manage each trust. Information about our sister company **Golden Lane Housing**, **Deloitte** and **Investec** can be found on our web page.

## Fees and charges

Mencap Trust Company manages a growing number of active trusts. Our size means we have access to investment management services at preferential rates, unavailable to the general public. And by using specialist trust accounts software we have negotiated favourable rates for the completion of tax returns. We are committed to maintaining low charges.

## How do I find out more?

You can call us on **020 7696 6932** or e-mail us at **mtc@mencap.org.uk**

You can visit us at **www.mencap.org.uk/mencaptrustcompany** for more information including videos, team profiles, more FAQ's and fee rates.

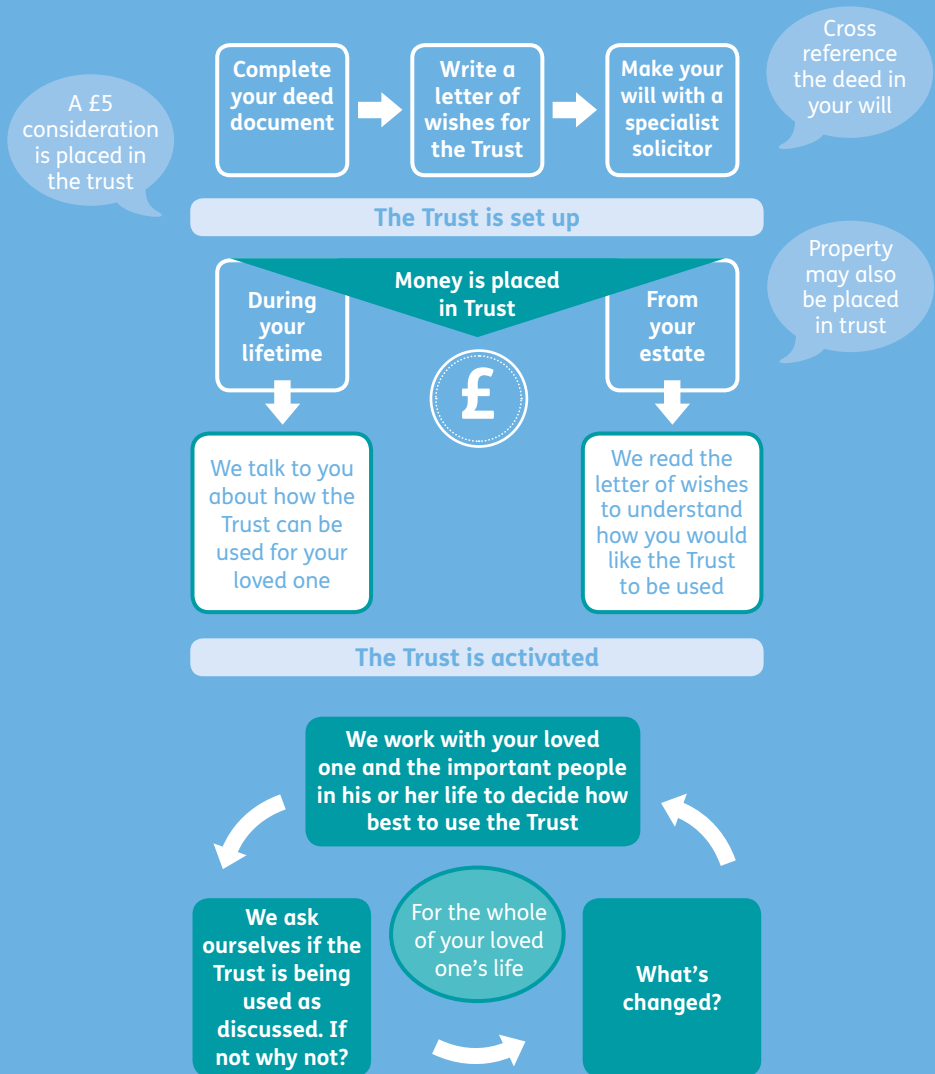
Many parents find the *wills and trusts planning for the future* seminars very useful.

Please call **020 7696 5550** for seminar details.

## Glossary

<b>Disabled persons trust</b>	It is less flexible than a standard discretionary trust. Offers potential tax advantages to qualifying beneficiaries.
<b>Discretionary trust</b>	A flexible way for parents, family and friends to leave money and property to help a named individual. The discretionary trust fund does not affect the beneficiary's means-tested benefits or entitlements.
<b>Lifetime settlement</b>	A significant asset placed in trust during the settlor's lifetime, which is then managed by the Trust Company. Parents have the opportunity to discuss with us how the trust is managed and if review visits are appropriate.
<b>Letter of wishes</b>	A statement made by the settlor about how they would like trust funds to be used. This can be updated at no cost and at any time. It is morally, not legally, binding.
<b>Primary beneficiary</b>	The vulnerable person who will benefit from the trust's assets.
<b>Residuary beneficiary</b>	The person(s) or charity(s) named by the settlor in the trust deed. Any assets left when the primary beneficiary passes away are paid to the residuary beneficiary(ies).
<b>Settlor</b>	The person (family member or friend) who first decides to put money in trust for their loved one. Other people can also put money into the trust.
<b>Trustee</b>	The person or body responsible for the assets held in trust for the beneficiary. Mencap Trust Company is the sole trustee of our trusts. The trustee is represented by 6 volunteer directors who make all decisions about the management and use of each trust fund.
<b>Trust deed</b>	The legal agreement between Mencap Trust Company and the settlor. We have a standard discretionary trust deed and a disabled persons trust deed.
<b>Trust fund</b>	The money or assets held by the Trustee to be used in accordance with the trust deed.

# Mencap Trust Company – how the Trust Service works



If you want to know more please contact us.

Call **020 7696 6932** or email [mtc@mencap.org.uk](mailto:mtc@mencap.org.uk)

Mencap Trust Company is a company limited by guarantee.  
Registered office address: 123 Golden Lane, London EC1Y 0RT. Registered in the UK number 1233201.

Royal Mencap Society is a registered charity.  
Registered office address: 123 Golden Lane, London EC1Y 0RT. Registered in England and Wales number 222377;  
SC041079 (Scotland)

Golden Lane Housing is a company limited by guarantee. Company registered number 3597323  
Registered office address: 123 Golden Lane, London EC1Y 0RT. Registered charity number 1071097 2015.294