

## Your Mencap Trust Company Information Pack

Thank you for requesting the Mencap Trust Company information pack – we hope you find it helpful. If you have any questions or would like to have a meeting or call with a member of the team we will be happy to arrange this.

Mencap Trust Company has been working with families since 1976. We know that setting up a trust can feel like a complicated process and involves technical terms that may be unfamiliar to you. We are here to support you through the process and can walk you through how Mencap Trust Company operates and answer any questions you have about how our services can meet your aims and wishes for establishing a trust to benefit your loved one(s).

You may find our website useful. This link will take you to our Frequently Asked Questions page which includes a short video that explains how our trusts work - <https://www.mencaptrust.org.uk/setting-trust-frequently-asked-questions>

If you decide to set up a trust with us you will need to complete and sign an original trust deed which we would provide for you should you confirm that you wish to proceed.

If you or your solicitor have any questions about the deed or any of the forms, please do not hesitate to contact us by phoning 020 7696 6932 or e-mailing [mtc@mencaptrust.org.uk](mailto:mtc@mencaptrust.org.uk)

Thank you for considering Mencap Trust Company to be the Trustee of your trust.

Yours faithfully,

*Christina Amofa & Valerie Kudjoe,*  
New Trust Set Up  
**Mencap Trust Company Limited**  
020 7696 6932 [mtc@mencaptrust.org.uk](mailto:mtc@mencaptrust.org.uk)

## What you will find in this information pack

**Section 1** – Glossary of terms used in this document ([page 2](#))

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## Section 1 – Glossary of terms used in this document

We know that setting up a trust can feel like a complicated process and involves words you may be unfamiliar with. You can refer to the following glossary of terms as you read through this information pack.

Please do get in touch with us if you still have any questions by phoning 020 7696 6932 or emailing [mtc@mencaptrust.org.uk](mailto:mtc@mencaptrust.org.uk)

<b>Beneficiaries</b>	The Primary Beneficiary and the charities who are able to benefit from the Trust Fund during the lifetime of the Primary Beneficiary.
<b>Bequest/Legacy</b>	A gift of money or personal property made in someone's will.
<b>Distributions</b>	<p>During the Primary Beneficiary’s lifetime, the Trustee's focus is on using trust assets to help that beneficiary in the best way. This involves making distributions from the Trust assets to benefit the Primary Beneficiary.</p> <p>When the Primary Beneficiary passes, the Trust is wound up and the remaining assets are distributed to the Residuary Beneficiaries in accordance with the Settlor’s instructions in the Trust Deed.</p>
<b>Estate</b>	The total value of all the assets owned by a person at death minus any debts and liabilities.
<b>Execute</b>	Sign a document in a way required by law (for example, in the presence of a witness).
<b>Letter of Wishes</b>	<p>A personal letter from the Settlor that is given to the Trustee.</p> <p>The Trustee will have regard to the contents of the letter but it is morally rather than legally binding and the Settlor cannot insist that the Trustee follows the guidance it contains.</p>

<b>Primary Beneficiary</b>	The person with a learning disability for whose benefit the assets (money and property) in the Trust Fund are primarily to be applied.
<b>Residuary Beneficiaries</b>	The individuals or charities who are entitled to any money and property remaining in the Trust Fund at the death of the Primary Beneficiary.
<b>Settlor</b>	The person (parent, grandparent or other) who sets up the Trust and contributes funds into it.
<b>Trust</b>	The legal structure set up to hold the Trust Fund for the benefit of the Beneficiaries.
<b>Trust Deed/Deed of Settlement</b>	The document which regulates the way in which the Trust will be administered, setting out the powers and duties of the Trustee and who the Trust Fund may be paid to.
<b>Trust Fund</b>	The assets (money and property) held for the Beneficiaries of the Trust and any accrued interest.
<b>Trustee(s)</b>	<p>The individual(s) or corporate body appointed to hold property upon trust. Trustees have a duty to act in good faith, which means they cannot enrich themselves at the expense of their beneficiaries.</p> <p>Trusts run by Mencap Trust Company have the company as their sole Trustee.</p>

## Section 2 – Summary of our Services and Charges

### Our Role

Mencap Trust Company are a Trust Company which acts as trustee of trusts for people with a learning disability and/or autism. The Mencap Trust Company office is in London and the trust team travel across England, Wales and Northern Ireland, visiting beneficiaries in their own homes.

Our role as trustees includes:

- Investing the trust funds in an appropriate way;
- Visiting the beneficiary of the trust, if appropriate, to build a relationship with them and ensure the trust fund is being used properly and for their benefit;
- Making sure all of the compliance requirements in relation to the trust are completed – tax returns, Trust Registration etc.

You will find more information on exactly what our role entails later on in this information pack.

### How we Operate

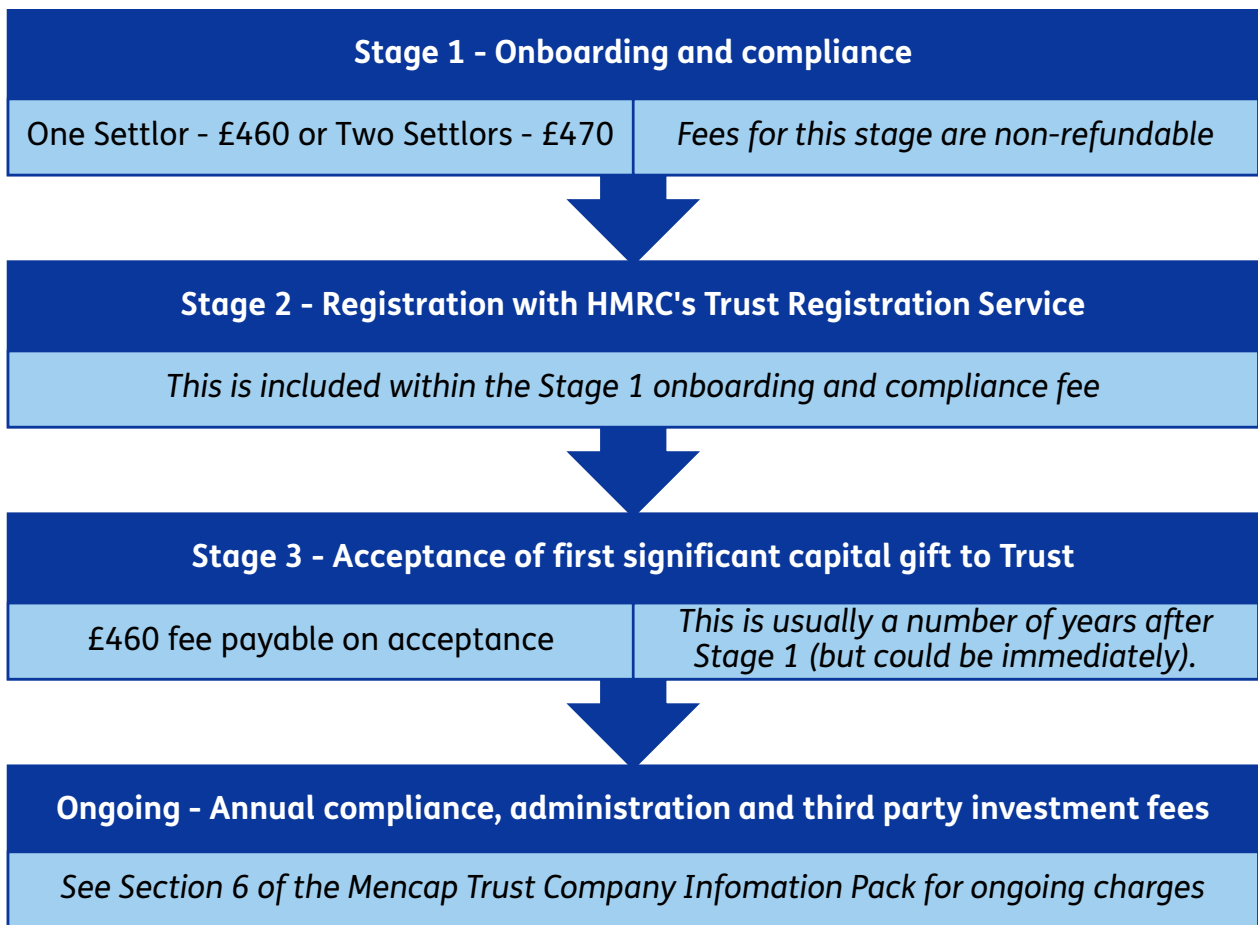
If you would like Mencap Trust Company to look after your trust for you, you will need to establish your own Trust which appoints Mencap Trust Company as the sole Trustee (we are unable to act as Trustee alongside others). We have two standard Trust Deed documents (for a discretionary trust and a disabled person's trust respectively) and we will require a Trust Deed in one of these two forms for us to be able to accept a position as Trustee.

We recommend you take legal and tax advice to help you choose which trust structure is right for your circumstances and to help you set up the trust. As part of our onboarding process we will ask you to confirm that you have taken legal and tax advice. Mencap Trust Company is unable to recommend a solicitor, however we can put you in touch with our colleagues at the Royal Mencap Society charity who would be able to put you in touch with a solicitor if required.

Once you have decided which type of trust is right for you, you can then contact Mencap Trust Company to ask us to act as Trustee. There are various onboarding and compliance procedures which we are required to complete before we can begin to administer the trust. If you confirm that you would like to proceed to set up a Trust with Mencap Trust Company you will be sent all of the relevant forms and paperwork to complete.

**The Process and Fees**

Mencap Trust Company is a not-for-profit organisation. We do charge for taking on a trust as Trustee and have a particular process we need to go through when becoming Trustee of a new trust. We also charge annual fees in relation to the ongoing compliance and administration of each trust. These fees are intended to cover our costs of providing a trustee service, rather than making a profit. Fees are also charged by third party investment managers. Fees are set out in full at Part 6 of the main information pack. The fees can be changed in future at the discretion of the Trustee, but the initial fees and process are currently as follows:



### Next steps

The enclosed information pack contains lots more information about Mencap Trust Company, including some frequently asked questions, definitions and our standard trust documents and Letters of Wishes. Please do read this information carefully.

If you would like Mencap Trust Company to act as Trustee of your trust, you should:

- speak to a legal advisor about which type of trust is right for you,
- confirm with the Mencap Trust Company which type of trust you want to set up and request a signing copy to be sent to you,
- supported by your legal advisor, sign the Trust deed sent to you and return this to us together with the set-up fee and completed onboarding forms enclosed with the information pack.

### Acceptable standards of communication

Please note, Mencap Trust Company will not tolerate any form of abuse or discrimination towards our staff. Our staff members have the right to work without being subject to inappropriate or abusive comments and we will take all incidents seriously. This includes refusing to work with particular staff members.

Settlers, beneficiaries and other individuals who are abusive or who make inappropriate comments or judgements about our staff will be warned that their conduct is inappropriate. If inappropriate, abusive or discriminatory comments continue to be made, our colleagues reserve the right to terminate calls or other interactions.

## Section 3 – Frequently Asked Questions

You may find it useful to refer back to the glossary of definitions and legal terms in section 2 of this pack (pages 2-3) when reading these frequently asked questions.

Mencap Trust Company is a trust company which acts as trustee of trusts for people with a learning disability and/or autism. The Mencap Trust Company office is in London and the trust team travel across England, Wales and Northern Ireland, visiting beneficiaries in their own homes or wherever they live.

### **1. Who do Mencap Trust Company Limited support?**

Mencap Trust Company Limited is a not for profit Company which acts as Trustee of Trusts for Primary Beneficiaries with a learning disability and/or autism. No formal diagnosis is needed for a person to qualify to use Mencap Trust Company's services; parents or other family members or friends can set up Trusts with us because they know their loved one would be made vulnerable if he/she was given a significant capital sum.

Each Trust Fund is administered on an individual basis. The assets gifted to the Trust are held in trust and administered by the Trustee for the benefit of the beneficiaries identified in the Trust Deed. The wellbeing of the Primary Beneficiaries is our main concern and our team are experienced in working with people with learning disability and autism and engaging with our beneficiaries in a way that addresses their particular needs.

### **2. Why use a Trust Company?**

A person with a learning disability or autism may be unable to deal with his/her own financial affairs. In such a case, it is advisable to appoint Trustees to manage the assets you intend to set aside for that person during your lifetime or leave for that person through your will.

Anyone can act as a Trustee. Some parents choose to use professional Trustees, such as Mencap Trust Company, rather than lay Trustees such as family members or friends for the following reasons:



- they may not know anyone who would be able to take on such a long term commitment;
- they may not wish to burden family members or friends with the legal, financial and regulatory responsibilities involved in acting as Trustee;
- changing circumstances may result in lay Trustees being unable to continue with the task through ill health, geographical location, or even premature death. A trust company is permanent;
- a professional Trustee has the required experience to deal with the matters which arise in the administration of a Trust.

### 3. How does Mencap Trust Company work?

The Settlor will execute a Trust Deed with Mencap Trust Company, usually settling a minimum initial sum of £5.00 and appointing the company as the sole Trustee. ***The Trust Deed will be provided to you if you decide to set up a Trust with us.***

The Settlor will also usually insert a special clause into his/her will which leaves a sum of money or a share of the Settlor's estate to Mencap Trust Company, to be held by it on the terms of the trust set out in the Trust Deed. ***Specimen wording for your will is included in Part X of this information pack.***

In many cases, except for the initial £5 sum used to create the Trust, substantial money is not gifted into the Trust until the Settlor dies and his/her will takes effect. In situations where two parents are Settlers of the Trust, the gift to the Trust will normally take effect when the second of them dies, but this will depend upon the terms of their wills.

When the Estate is ready to be distributed, the money will be handed over to the Trustee. At that point, the Trust is fully activated and the Trustee can start to get to know and support the beneficiary.

Some Settlers may want to transfer funds in addition to the initial £5 to the Trust during their lifetimes, or gifts may be made to the Trust by other family members during their lifetimes or through their own wills. Whenever substantial money is transferred into the trust for the first time the Trust will become fully activated. ***If you are considering making a lifetime gift into Trust you should take financial advice as well as speaking to a member of the Mencap Trust Company team before making any payments*** as there will be practical, compliance and financial implications of any gifts made during the Settlor's lifetime.

More information about lifetime settlements is included in question 9 of these Frequently Asked Questions.

#### 4. Different types of trust

A trust is an arrangement under which assets are owned and managed by a Trustee for the benefit of others. There are many different types of trusts but if you are considering setting up a trust for a vulnerable beneficiary there are two types of Trust which the Mencap Trust Company offer: a discretionary trust and a disabled person's trust.

#### 5. Discretionary trusts

A discretionary trust is a flexible way for parents and family members to set aside money and/or property for the benefit of a loved one. A discretionary trust has a class of beneficiaries named in the trust deed. The Mencap Trust Company standard discretionary trust deed includes with the class of Beneficiaries the Primary Beneficiary and charities which can benefit people with learning disabilities. The deed gives the trustee the powers to retain trust assets or to distribute some of or all of the capital or income to Beneficiaries. A discretionary trust allows the Trustee the flexibility to cater for changes in the beneficiary's circumstances through their life.

After the Primary Beneficiary's death, the assets remaining in the Trust will pass to whoever the settlor nominated at the outset as Residuary Beneficiaries. The Residuary Beneficiaries can be named family members, friends or charities or a mixture of these. In the event that all of the named Residuary Beneficiaries are no longer in existence at the death of the Primary Beneficiary any remaining funds will pass to the Royal Mencap Society charity.

#### 6. Disabled person's trusts

A disabled person's trust works in a similar way to a discretionary trust, the main difference between the two is that they are taxed differently, and the Primary Beneficiary needs to satisfy strict criteria to benefit from a disabled person's trust.



You should discuss with your own adviser which type of trust would be best for you based on your specific circumstances and those of your beneficiary.

#### 7. How much does a Mencap Trust cost?

Mencap Trust Company is a not-for-profit organisation. We do charge for taking on a trust as Trustee and have a particular process we need to go through when

becoming Trustee of a new trust. We also charge annual fees in relation to the ongoing compliance and administration of each trust. These fees are intended to cover our costs of providing a trustee service, rather than making a profit. Fees are also charged by third party investment managers.

To set up a trust, an initial one-off charge of £460 for one Settlor, or £470 for two Settlers (inclusive of VAT) will be levied to cover onboarding and compliance set up costs. We also require that the Trust receives an initial gift of £5. Therefore, a payment of £465 or £475, for one or two Settlers respectively, needs to be made to the Trust Company when the Trust is first set up.

There are no further charges until the point when the trust is fully activated by the first significant capital gift to trust. This can often be years or decades after the trust was first set up. From this point onwards there will be annual compliance, administration and third party investment fees to cover the costs of managing the Trust and its assets and completing annual tax returns. There is also an additional charge when review visits with the Primary Beneficiary are made.

[The current schedule of fees is set out in section 6 of this pack. Please note that our schedule of fees is revised periodically at the Trustee's discretion without notice.](#)

## **8. Who can help me decide whether to go ahead with a Mencap Trust Company trust?**

The information provided in this pack and in any other written material provided by the Company or any discussions with our staff is general guidance rather than advice provided to you in your individual circumstances. We require that you take legal advice before setting up a trust and we strongly recommend that you discuss tax implications with an appropriate person to be sure that what you are proposing is right for you and the Primary Beneficiary and that you understand the tax implications. When you send us the completed Trust Deed, we will ask you to confirm that you have received legal advice and that you have understood our recommendation to take tax advice.

## **9. Should I gift some money into the Trust now?**

Some Settlers choose to activate the trust with a lifetime settlement of capital (beyond the initial £5) before their death so that the beneficiary can start to build a relationship with the Mencap Trust Company team and see how the Trust operates. For other families they want to make sure that the Trust is fully activated and able to support the beneficiary during the period between the settlor's death and their estate being finalised and distributed to the Trust which can take several months.

Making a lifetime settlement into trust will have implications that the Settlor should think through and take advice on before making the decision. Annual compliance, investment and management costs in respect of the Trust will arise as soon as there are assets to be administered beyond the initial £5. Once you have given assets to the Trust you will not be able to take them back, move them into another Trust or alter the terms of the Trust in which they are held. In addition to activating annual fees, making a gift into the Trust during your lifetime will also have tax implications and [you should take advice on this before deciding if this is something that you would like to do](#). Before making any lifetime gift into the Trust you should also speak to a member of the Mencap Trust Company team.

If you are concerned about providing support for the Primary Beneficiary in the period between your death and the date when distributions can be made from your Estate to the Trust but do not want to create a lifetime settlement, your solicitor may be able to advise on other ways of providing funding during this period.

## 10. Why do you have ‘Know Your Client’ KYC and anti-money laundering procedures?

Anti-money laundering regulations are a legal requirement for Mencap Trust Company to follow and ensure that Mencap Trust Company fulfils its obligations under the UK’s anti-money laundering and counter terrorism finance regime. This means that we must carry out anti-money laundering (AML) checks on anyone who wishes to settle funds into a trust and anyone who receives distributions from a trust.

If you wish to read Mencap Trust Company’s Anti-Money Laundering and Counter Terrorism Finance Policy you can request this from a member of the team. All Trusts accepted by Mencap Trust Company must follow this procedure, which includes, but is not limited to, receiving proof of identity and address of the Settlor(s) and Beneficiary(ies) and registering these with HMRC.

Prior to establishing a Trust you will be asked to complete a **Know Your Client “KYC”** form and provide certified proof of identity and proof of residential address. The latest versions of these forms will be sent to you once you have confirmed your intention to create a Trust with Mencap Trust Company.

Mencap Trust Company also have a responsibility to establish the source of wealth for all money settled into trust. This means we must ascertain why the client has the assets they do and how they came to accumulate them. We will ask settlors questions about this before we can accept money into trust.

### **11. How will the money be invested?**

The Trustee, following advice received from the appointed investment managers, will invest the money held in trust. Any income or capital profits will accrue to the individual Trust Fund. Decisions as to the type of investment will vary according to the circumstances, e.g. the amount of money held, the frequency with which access is required, the age of the Primary Beneficiary and any medical conditions that affect his/her life expectancy. This is reviewed by the Trustee. The investment managers charge an annual fee and details of this can be found in section 6 of this information pack.

### **12. How much money should I put into the Trust?**

This will depend on your individual circumstances. You should consider who else you want to provide for, what you need yourself and what you think is an appropriate amount.

Mencap Trust Company will generally only act as Trustee of a fully activated trust where there is **at least £20,000** in the Trust Fund.

Grandparents and other relations and friends can also make gifts to a Trust set up by parents. Where a person other than the original named Settlor wishes to give money to the Trust, it should be noted that the donation should not be less than £20,000 unless the Trust has already been fully activated. It should also be noted that there will be additional tax implications where a person that has made a gift to the Trust can benefit under it as a Beneficiary and this should therefore be avoided.

Where the value of a Trust falls below £10,000 the Trustee will seek to distribute the capital on a shorter timescale as keeping low value trusts in existence is not economically viable.

### **13. Can I cancel the arrangements with Mencap Trust Company?**

Once the Trust is created, it can only be terminated after all assets are fully distributed. The Trustee can also consider retiring and appointing a new trustee. This is a Trustee decision.

No changes to the Trust Deed can be made once the Trust is created, including the identity of the people who benefit from the Trust, so it is not possible to change the Primary Beneficiary or the Residuary Beneficiaries.

If you decide that the terms of the Trust Deed created no longer meet your wishes, for example, if you would like other Residual Beneficiaries to benefit from the Trust

you create, providing that the Trust has not been fully activated with substantial capital during your lifetime, you can cancel the gift included in your Will and this will mean that in practice the Trust will not receive any substantive funds and will not become active in any real sense. This is your decision - you will have established a trust and made the decision not to use it. Should you decide to follow this route, please let us know as soon as possible in writing so we can update our records and wind-up the trust as necessary. In this scenario we cannot refund the initial costs of setting up the trust.

#### **14. Can I put a property into trust?**

Where the family home forms part of the Estate of a parent who has left part or the whole of his/her Estate to a Trust, the home is usually sold after the parent's death and money from the sale proceeds comes into the Trust. However sometimes parents want to put their family home into the Trust, or provide a separate property to be held by the Trustee for the Primary Beneficiary to live in. This leaves them with reassurance that their loved one has a home for life. We work in partnership with Golden Lane Housing (GLH), an independent charity who work closely with Mencap to manage properties for people with a learning disability.

Our partnership with GLH allows a Primary Beneficiary's home to be placed in trust through the Mencap Trust Company. It is then leased to GLH who is contracted to manage and maintain the property. If the Primary Beneficiary can claim Housing Benefit this can be paid to GLH who use the money to maintain the property. The Trustee becomes the legal owner of the property.

There are criteria the property must meet in order for the property to be accepted into Trust, to ensure it is suitable in design, location and state of repair. Trusts which include a property require additional funds of **at least £50,000** plus any other amount identified by GLH. It is important to consider that as time goes on, the home may not be suitable for the Primary Beneficiary, and if this happens then the Trustee would be responsible for selling the property and finding somewhere suitable for the Primary Beneficiary to live.

Please contact us if you considering or intend to leave a property to the trust. A member of the team will talk to you about the criteria and the options available.

#### **15. How will the Trust Fund be spent?**

The Trustee has legal authority to pay the capital of the Trust Fund and the income earned on such capital to the persons named as Beneficiaries in the Trust Deed at such times, in such amounts and in such manner as the Trustee deems fit. The

Trustee will alternatively be able to retain income which is not required immediately and add it to the capital of the Trust Fund. Obviously, each case will vary according to the particular circumstances of the Primary Beneficiary and the other members of the class of Beneficiaries. Money may be used to pay for anything which benefits the Primary Beneficiary, such as clothes, living expenses, holidays, outings, luxuries, hobbies, furniture, etc. Our Trust Relationship Managers will help to identify how the Primary Beneficiary can benefit from the money held in trust.

The Trustee is guided, but not bound, by the Letter of Wishes.

Where charities are included in the class of Beneficiaries able to benefit during the lifetime of a Primary Beneficiary, the Trustee is in practice likely to benefit them only in ways envisaged by the Letter of Wishes or where this would be of interest to the Primary Beneficiary.

After the Primary Beneficiary's death, the balance remaining in the Trust Fund will be paid to the Residuary Beneficiaries named by the Settlor in the Trust Deed.

#### **16. Will the Trustees pay for the Beneficiary's funeral expenses?**

The Trustee can approve requests for funeral plans to be set up during the lifetime of the Primary Beneficiary. This means that family members and friends will have the comfort of knowing that these costs will be provided for when the time comes.

#### **17. Who will make sure that the needs of the Primary Beneficiary are fully considered?**

Mencap Trust Company relies on friends, relatives and professional or other carers to keep them informed. We also visit the Primary Beneficiary and the important people in his/her life every one to two years once the Trust is fully activated.

Please keep us updated about the important people who should be consulted and let them know about the Trust and how to contact Mencap Trust Company.

Contact details of the people you trust who are involved in your loved one's life are often included in your Letter of Wishes, which can be updated at any time at no additional cost.

## **18. Review visits and how the Trustee keeps well informed about the Primary Beneficiary**

Our review visits are a unique part of the service we offer. Once a Trust is fully activated, we assign a Trust Relationship Manager who will monitor how the Primary Beneficiary is and how the money in trust is expected to be used.

The Trust Relationship Manager will visit the Primary Beneficiary in his/her own home every one to two years depending on the value of the Trust, and on changing circumstances that might have a significant impact on the Primary Beneficiary. In between the visits, the Trust Relationship Managers will have regular contact by phone, virtual meetings, email and letters. We are proactive and the Trust Relationship Managers are experienced in working and communicating with people with a learning disability and autism.

The review visit is at the heart of our work. It is a structured but informal meeting, which aims to build strong relationships, encourage use of the Trust Fund, and ensure that we know how the Trust Fund is expected to be used. The Trust Relationship Managers work with the important people in the Primary Beneficiary's life. The relationship with each beneficiary is person-centred and aimed at supporting and encouraging the best outcomes for that individual.

As beneficiaries get older we know that their needs change. Part of our relationship with Primary Beneficiaries and the important people in their lives is to ensure that reassessments are made as needed through the beneficiary's life.

## **19. What happens to funds left in the Trust when the Primary Beneficiary passes?**

The funds held in trust are used, at the discretion of the Trustee, to help the Primary Beneficiary throughout his or her life. When the Primary Beneficiary passes, there will often be some funds left in the Trust. The Settlor needs to decide when setting up the Trust who should take these remaining funds as the Residuary Beneficiaries – these can be family members, friends or charities. The standard trust deeds include a longstop gift to Royal Mencap Society in case the chosen Residuary Beneficiaries die before the Primary Beneficiary. Once the residuary balance has been distributed the Trust is then wound up.



## Section 4 – What to Include in your Letter of Wishes

Your Letter of Wishes is your opportunity to tell the Trustee how you would like the Trust Fund to be used. It is a private and confidential letter and, while it is not legally binding on the Trustee, it is very influential.

The Primary Beneficiary may develop new interests and friendships over the years, and your ideas about how the Trust can make a difference may change too. Please let us have updates to supplement your initial Letter of Wishes so we are better equipped to make good decisions when you are no longer around.

Your Letter of Wishes can be updated at any time at no additional cost.

## Section 5 – How do I register a Trust with Mencap Trust Company Limited

Once you have confirmed to us that you would like to set up a Mencap Trust Company Trust, we will send you the various forms and documents referenced below for you to complete and sign. To set up a Trust with Mencap Trust Company Limited you will need to complete the follow steps.

### 1. Collate and complete all the Trust-related documents below

To set up the Trust we will also need to receive the following:

- the **completed and signed Trust Deed** which we will send to you if you confirm that you would like to proceed. Please note:
  - *When completing the Deed please follow the instructions provided with the signature version and **do not date** the Trust Deed.*
  - *The Mencap Trust Company **cannot** act jointly with other Trustees and can only operate using its standard forms of Trust Deed (the standard discretionary trust or the standard disabled person’s trust) as issued to Settlers as a signing copy.*
  - *Parents and other family members can be joint Settlers and use the same deed.*
- if you are planning to fund the Trust on your death, **a copy of your draft will** containing the gift to the Trust
- a **completed Know Your Client form** (KYC)
- a **completed Privacy Notice** (Data Protection Form)
- the **set-up fee** payable to “Mencap Trust Company Limited” which can be paid by electronic bank transfer (preferably) or cheque. We will provide the transfer details upon review of the trust documents. Please note that this set-up fee is non-refundable.
- the **Letter of Wishes**
- the **certified Anti-Money Laundering (AML) identification and proof of address documents** for the Settlor(s) and Primary Beneficiary(ies) – see *below for more information on this.*

## 2. Obtain certified identification and proof of address documents for the Settlor(s) and Primary Beneficiary(ies)

The Money Laundering Regulations 2017 ensure that Mencap Trust Company fulfils its obligations under the UK's anti-money laundering and counter terrorism finance regime. This means that we must carry out anti-money laundering (AML) checks on anyone who wishes to settle funds into a trust and anyone who receives distributions from it. Mencap Trust Company also have a responsibility to establish the source of wealth for all money settled into trust. This means we must ascertain why the client has the assets they do and how they came to accumulate them. We will ask settlors questions about this before we can accept money into trust.

You can request a copy of the Mencap Trust Company's Anti-Money Laundering and Counter Terrorism Finance Policy from a member of the team.

The following verification of identity documents are required for the Settlor (or Settlers if there are more than one):

- an original certified copy of their current passport, driving licence or other government issued Identity Card that has a photo, signature and date of birth.
- confirmation of residential address which may comprise **any two** of the following:
  - the original or an original certified copy of a recent utility bill\* giving proof of their residential address and dated within the last 3 months
  - the original or an original certified copy of a bank\*\* statement, giving proof of their residential address and dated within the last 3 months
  - an original certified copy of official correspondence, such as a tax assessment or population register extract, dated in last 12 months

\* Two bills for different utilities may be provided; both must show the same residential address details. Please note that the residential address details are required. Post Office Box numbers only are not acceptable.

\*\* If your bank is not within the United Kingdom, we may require alternative references and verification. If you are in any doubt, please contact the Mencap Trust Company.



Please see the certification requirement on the next page to ensure that we are able to accept the certified copies you provide.

## Certification requirements

Please read this section carefully and provide all the documentation that is requested. This documentation is required to meet the legal regulations and if any of it is incomplete or missing we will not be able to provide our services or establish a business relationship with you.

- Copies must be clear, in English or suitably translated, and all details must be legible. All pages containing information, including the photograph page of any identity document, must be copied and certified in this way.
- Where we have asked for a certified copy of a document it must be certified in English as a “true copy of the original”.
- The photographs in identity documents and copies must be clear and the photograph in the copy should be an identifiable likeness to the original. Copies of identity documents which include a photograph must be certified in English, with the exact wording “Certified as a true copy and likeness”.
- The certifier must provide sufficient information to allow them to be identified and contacted, for example by adding their full name, signature, date, a company stamp and the address of the company. The certification must be signed by a named individual, not in the name of the firm.
- Certifiers must be independent from the Settlers, Beneficiaries and Mencap Trust Company.

### Only the following people can certify your documents:

- a director, officer, or manager of a **regulated financial services** business within the UK who is registered with the Financial Conduct Authority
- a **chartered accountant or solicitor/lawyer** that is a member of a recognised professional body within the UK (must be verifiable via ICAEW, ACCA, Law Society of England and Wales/Scotland/Northern Ireland)
- a **notary public** who is a member of a recognised professional body

### For non-UK nationals, the following overseas persons can certify documents:

Overseas Attorney	Notary Public
Overseas Consulates Officers	Commissioner of Oaths
Embassy Officials	

If the certification is obtained from a jurisdiction that does not have equivalent anti-money laundering legislation to that of the United Kingdom, we may require alternative references and verification. If you are in any doubt, please contact the Mencap Trust Company.

**3. Send us all of the paperwork required to set up your Trust and pay the set up fee**

Please send us all of the above forms, certified identity documents and completed Trust Deed to:

FAO: Valerie Kudjoe and Christina Amofa  
New Trust Set Up  
Mencap Trust Company Limited  
East One  
20-22 Commercial Street  
London  
E1 6LP

**4. Mencap Trust Company will review all of your documents, complete our Anti-Money Laundering checks and, all being well, execute the Trust Deed.**

A member of the team will be in touch if anything is missing or if any further information is required. Once the Trust Deed has been fully executed and dated, a copy will be sent to you for your records.

**5. See your solicitor about making or changing your will.**

If you or anyone else wishes to make a gift into the Trust through a will, you must ensure that appropriate wording is included in the will to direct the gift into the specific trust set up with the Mencap Trust Company. This can either be a share of the estate or a specific amount of money (which must be at least £20,000 which is our minimum size of Trust we operate).

You will be giving the money to the trust company as Trustee of the Trust for your loved one. Any money left directly to your loved one in a will cannot later be added to the Trust.

Please share the following draft wording for the gift in your will with your solicitor. Your will needs to be finalised **after** the Trust has been set up so that the wording of the will can reference the date that your Trust was set up.

Please share the following draft form of bequest with your legal advisor

\*Please amend/delete as appropriate.

I give to MENCAP TRUST COMPANY LIMITED [all] or [a share] of the residue of my estate \*/the sum of £ [to be completed]\*

To be held by them upon the trusts and with and subject to the power and provisions (so far as they are subsisting and capable of taking effect) declared and contained in a TRUST DEED dated

the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_ and between:

- (1) [name(s) of Settlor(s)]\* \_\_\_\_\_
- (2) MENCAP TRUST COMPANY LIMITED and I declare that THE RECEIPT OF THE Company Secretary or other duly authorised officer for this gift shall be a good discharge to my Executors/Trustees.

**6. Please send us a copy of your executed will showing the gift to the Trust**

We will keep a copy of your will on file. Please remember to send us a copy of any new wills you make in the future so we have a copy of the latest version.

**7. Keep in touch**

Your Trust will now be set up, ready to be fully activated by the first substantial capital sum that is transferred into the Trust beyond the initial £5.

Please remember to keep us informed of important changes to things like the Settlor(s) or Beneficiaries' addresses, names, changes to will(s) etc.

If you have questions about setting up a trust with Mencap Trust Company then please email us at [mtc@mencaptrust.org.uk](mailto:mtc@mencaptrust.org.uk) or call 020 7696 6932 to speak to a member of the team.

## Section 6 – Our charges: one off and annual fee schedule

All fees are subject to the addition of VAT at the rate in force when the fee becomes due.

### Set-up Fee – payable when the Trust is set up

The total payment to set up a trust is £465 for one Settlor or £475 for two Settlers (inclusive of VAT). It encompasses a one-off charge for supplying the Trust Deed, processing the application, regulatory compliance and all required correspondence. It also includes the minimum initial settled sum of £5.00.

### Fee for fully activating the Trust – payable when a capital sum is first paid into the Trust Fund

One-off charge for accepting the gift into the Trust which will fully activate the Trust of £460.00 including VAT per trust. Further additions to the Trust Fund do not attract any further acceptance fees.

### Trust Management Fee

Annual charges are up to 1.75% (plus VAT) of the value of the funds held at the time of calculation, such charges being calculated and collected quarterly based on the fund value at that time. The fee covers the day-to-day administration and governance of the Trust Fund. It covers all routine communications with Beneficiaries as well as their carers and supporters.

The standard 1.75% trust management fee is adjusted depending on the scale of individual trust funds.

Total amount of assets under the trust	Charge
Up to £500,000	1.75%
Over £500,000	0.5% for funds in excess of £500,000 with 1.75% for the first £500,000
Over £750,000	0.25% for funds in excess of £750,000 with 1.75% for the first £500,000 and 0.5% for the next £250,000

A minimum annual fee of £240 + VAT applies at all times and a separate fee schedule and process exists where physical property is to be gifted to the Trust. If you are considering placing a property into trust please contact us to discuss this.

### **Trust Review Fee**

A £180 fee + VAT per review. Visits are typically every one to two years.

The trust review involves a meeting to create, maintain and develop the relationship between the Trustee and the Primary Beneficiary. The review seeks to keep the Trustee informed of the Primary Beneficiary's circumstances and needs so that trust funds are prioritised to make the maximum impact on his/her life. The review also seeks to ensure that the beneficiary's carers and key supporters are aware of the Trust and how to contact the Trustee.

The Trustee will use its discretion in determining the frequency of reviews. Where parents have made lifetime settlements we will agree with them the schedule of visits.

### **Unusual Work Fee**

A £20.00 per hour + VAT charge for any work relating to an individual Trust outside of the standard charges. This would include attending specific beneficiary meetings outside of the standard reviews.

### **Termination of the Trust (final distribution)**

This fee is based on the value of funds paid out, or transferred, payable on the final distribution of capital or upon termination of our duties to reflect the additional work involved.

The fee is 1.0% of the market value of funds where distributed sums are to one party. Also, there is a 0.2% incremental charge per additional party up to a maximum charge of 2.0%.

### **Third Party Fees**

- **Taxation work**

The cost of preparing individual trust tax returns is charged separately to each Trust Fund. The cost is the amount charged by the external service provider. The contract for tax returns is reviewed at least tri-annually.

The annual tax return fee is 0.36% of the trust value + VAT.

In the case of a discretionary trust, there may be an additional tax charge every 10 years and when a capital distribution is made. Tax will not normally be payable if



the value of the trust has never exceeded the Inheritance Tax threshold. A fee of £1000 + VAT will be charged to cover the cost of making each such return and the arrangements to pay any tax due.

At the point where the trust is fully activated (i.e. when the trust receives the first substantial capital sum beyond the initial £5) there is a one off activation compliance fee of 0.5% of the trust value subject to a minimum charge of £200 + VAT and a maximum charge of £750 + VAT.

A final tax calculation is due when the trust is finally distributed to the Residuary Beneficiary(ies), unless all the remaining funds pass to a charity or charities. The tax work fee is 0.6% of the final trust fund value subject to a minimum charge of £400 + VAT and a maximum charge of £2,500 + VAT.

- **Investment Managers' fees**

Investment Managers' fees are also charged separately to each fund and are currently 1% + VAT per annum of the invested assets' market value. These fees are payable quarterly in arrears.

No additional transaction charges are made.



Please note, this fee schedule applies from 6 April 2023 and can be reviewed and changed at any time without notice.