

# DEED OF VARIATION

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OF DEFAULT BENEFICIARIES

APPOINTMENT OF BENEFICIARIES

## What these forms are for

There are two Deeds in this booklet. They are designed for different requirements. The notes below will help you choose the form most suited to your purpose.

**Guidance notes** – please read the following notes carefully as you are responsible for ensuring that the form is completed correctly.

The **Deed of Variation of Default Beneficiaries** is suitable with trust arrangements which allow the Settlor to change the default beneficiaries. The terms of the trust will indicate whether or not this is possible.

The “default beneficiaries” are the persons who will receive benefits under the trust in the absence of the trustees exercising their overriding power of appointment or if they revoke any previous appointments.

The Settlor can use this deed to:

- remove one or more of the existing default beneficiaries
- add new default beneficiaries
- change the shares that each of the default beneficiaries might receive.

This deed does not affect the right of your trustees to appoint beneficiaries. The two appointments are separate. Please note that the effect of any such appointment, past or future, by your trustees could significantly affect the ultimate benefits the default beneficiaries you are appointing here will receive.

The Trustees can use the **Deed of Appointment of Beneficiaries** to change the current beneficiaries or the proportion in which they will benefit. Again the terms of the trust will indicate whether or not this is possible.

Any of the possible beneficiaries specified in the trust may be appointed and the appointment can be either revocable or irrevocable.

If the trustees wish someone else to benefit who is not included in the trust as a possible beneficiary, the trust may give the Settlor the ability to nominate that person as an additional possible beneficiary. Once a valid nomination has been made, the trustees are then able to appoint him or her.

The trustees can use this deed to:

- override the interests of the default beneficiaries\*
- appoint or change the beneficiaries who have an entitlement
- change the shares that each of the beneficiaries is entitled to.

The decision regarding who is to benefit will be revocable, which means this can be changed later if the trustees wish.

The trustees have the option to make this irrevocable, which means that they cannot change their mind at a later date.

If the trustees are considering making an irrevocable appointment, it is therefore extremely important that they are certain of the intending appointment and of the consequences of irrevocability. We strongly recommend they seek independent legal advice if electing irrevocability.

## \* What does “override the interests of the default beneficiaries” mean?

The interest of the default beneficiaries can be altered through completion of a Deed of Appointment of Beneficiaries. The interests of any beneficiaries under a valid Deed of Appointment of Beneficiaries will not normally be defeated by completion of a Deed of Variation of Default Beneficiaries.

**In summary, any valid Deed of Appointment of Beneficiaries will normally take precedence over any Deed of Variation of Default Beneficiaries (or over the interests of the default beneficiaries as specified in the trust deed).**

### Important Notes for both Deeds

- If a change is made to the interest in possession beneficiaries under a flexible trust set up before 22 March 2006, the trust will be brought under the inheritance tax rules applicable to trusts effective from 22 March 2006. This means that an inheritance tax chargeable transfer would immediately occur in respect of the dispossessed beneficiary(ies), with the possibility of a lifetime charge to inheritance tax. And the trust could be subject to periodic and exit charges in the future. The periodic charge dates are set by reference to the start date of the trust.

In addition, it should be noted that if a change is made to the interest in possession beneficiaries by means of a revocable appointment, the dispossessed beneficiary(ies) will be regarded as having made a gift with reservation. This means that the value of the lost share of the trust fund will remain in the estate(s) of the dispossessed beneficiary(ies) for the purposes of IHT until the trust comes to an end.

**If you have any questions about tax or how a change of interest in possession beneficiaries will affect your trust, you should take independent legal and/or taxation advice before making any change.**

- Please enter beneficiary details carefully in the allocated spaces. These deeds are legal documents and all parties to the deed must initial any deletion or amendments.
- Any changes made by either deed will not affect the entitlement of any beneficiary to any sum paid or asset transferred previously by the trustees.
- Please ensure that all parties sign the form and have their signatures witnessed by an independent witness (not a relative or another signatory to this deed or a beneficiary). The same person may witness all the signatures if this is convenient but it is not necessary.
- This deed imposes obligations on all parties and it's recommended that independent legal advice is obtained before proceeding.

Once you have completed the details, please send this form to:

**Scottish Widows Limited, 15 Dalkeith Road, Edinburgh EH16 5BU.**

Whilst every attempt has been made to ensure the accuracy of these deeds, Scottish Widows can accept no liability for the tax, financial or other consequences or the legal effects of these deeds and if you are uncertain as to their suitability, independent legal and/or taxation advice should be obtained.

## What's the difference between the two forms

Deed of Variation of Default Beneficiaries	Deed of Appointment of Beneficiaries
Completed by Settlor but also signed by the trustees as an acknowledgement of receipt of intimation	Completed by all trustees (including the Settlor if also a trustee)
Changes only the default beneficiaries, who may or may not also be the current beneficiaries	Changes the beneficiaries who are entitled
Always revocable	Can be revocable or irrevocable
Can be made in favour of anyone except the Settlor	Can be made in favour of the possible beneficiaries specified in the trust only

## DEED OF VARIATION OF DEFAULT BENEFICIARIES (REVOCABLE)

This deed enables the Settlor(s) to change the appointment of default beneficiaries. If your trustees want to appoint beneficiaries, the attached Deed of Appointment of Beneficiaries should be completed instead.

Please ensure you have read and understood the Guidance Notes.

### 1. DEED OF VARIATION OF DEFAULT BENEFICIARIES

Please enter the date all named parties have signed this form.

This Deed of Variation of Default Beneficiaries is made on (DD MM YYYY)

by

(the Settlor, who is normally also a trustee)

and

(the 2nd Settlor, if any, who is normally also a trustee)

("the Settlor" which expression shall mean the one or more persons named above as appropriate)

and

(1st additional Trustee)

and

(2nd additional Trustee if any)

and

(3rd additional Trustee, if any)

and

(4th additional Trustee, if any)

("the Trustees" which expression shall mean the one or more persons named above as appropriate).

Please give the full names of the trustees.

### 2. BACKGROUND

Please enter the date of the original trust and the name(s) of whoever created it (the Settlor(s)).

2.1 This deed is supplemental to the declaration of Trust dated

(DD MM YYYY)

("the Trust") made by

(the Settlor)

and

(the 2nd Settlor, if any)

Please note that this Deed of Variation of Default Beneficiaries affects all of the assets of the trust and not just the policy(ies). Please give the policy number(s) and type of policy (eg term assurance) which are subject to the trust.

2.2 The Trust includes in the Trust Fund (as defined in the Trust) the following Scottish Widows Limited policy(ies):

Policy Number(s)

Policy Type

2.3 The Settlor wishes to exercise his or her power to add and/or remove default beneficiaries and change the shares of the default beneficiaries in the Trust Fund in the manner set out overleaf.

The logo for Scottish Widows, featuring the company name in a bold, sans-serif font with a stylized wavy line above and below the text.

**3. OPERATIVE PROVISIONS**

This deed will replace any prior revocable variation of default beneficiaries to the extent necessary. If a prior appointment was irrevocable, this form will not be suitable. Legal advice should be obtained. Please list all the new default beneficiaries and their respective shares.

**Note: This form overrides any previous deeds of variation of default beneficiaries as necessary. Therefore the default beneficiaries specified here are the only default beneficiaries.**

**You must set out the share for all of your default beneficiaries, even if some of the shares are not being changed. Please ensure the shares add up to 100%.**

If you previously removed a default beneficiary then this deed will not reverse that unless you name him/her now as a default beneficiary. Similarly, if you previously appointed a default beneficiary but do not include him/her now, this deed will revoke that appointment.

The variation of default beneficiaries will be revocable (i.e. can be changed later by the Settlor(s)).

The law of Scotland or England and Wales shall apply, depending on the law which applies to the original trust.

**IMPORTANT**

The Settlor(s) and all trustees must sign the form and have their signatures witnessed by an independent witness (not a relative or another signatory to the form or a beneficiary). One person may witness all the signatures if convenient but this is not necessary.

3.1 The Settlor in exercise of the power conferred on him or her by the Trust and any other power so enabling him or her:

3.1.1 directs that the default beneficiaries shall now only be the following person(s) in the following shares;

Full name(s) of all Default Beneficiary(ies)	Relationship to Settlor (if any)	Share %
		%
		%
		%
		%
		%
	<b>Total</b>	<b>100%</b>

If the stated shares do not add up to 100%, they shall be taken as being scaled up or down in the same proportions so that they do. If no share is stated, unless the Trust provides otherwise, the benefits will be appointed in equal shares.

3.1.2 so far as required to give effect of the appointment in clause 3.1, revokes every and all prior revocable variations or appointments adding or removing any default beneficiary or altering the shares of a default beneficiary.

3.2 The above variation of default beneficiaries is revocable by deed or deeds executed by the Settlor.

3.3 The Trustees hereby acknowledge the terms of the variation of default beneficiaries made by the Settlor under the terms of this deed.

**4. LAW APPLICABLE**

The proper law of this deed and its construction and effect shall be subject to the jurisdiction of and construed according to the applicable law of the Trust.

**5. SIGNATURES**

This and the preceding page are signed as a deed and delivered by:

Name of Settlor

Settlors signature in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

5. SIGNATURES (continued)

Name of 2nd Settlor (if any)

2nd Settlor's signature  
in the presence of:  
Name of witness

Witness' signature  
Home address of witness

Postcode

Name of 1st additional Trustee

1st Trustee's signature  
in the presence of:  
Name of witness

Witness' signature  
Home address of witness

Postcode

Name of 2nd additional Trustee  
(if any)

2nd Trustee's signature  
in the presence of:  
Name of witness

Witness' signature  
Home address of witness

Postcode

5. SIGNATURES (continued)

Name of 3rd additional Trustee

(if any)

3rd Trustee's signature

in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

Name of 4th additional Trustee

(if any)

4th Trustee's signature

in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

## DEED OF APPOINTMENT OF BENEFICIARIES (REVOCABLE OR IRREVOCABLE)

This deed enables the Trustees to appoint beneficiaries. If the Settlor(s) wishes to change the appointment of default beneficiaries, the attached Deed of Variation of Default Beneficiaries should be completed instead.

Please ensure you have read and understood the Guidance Notes.

### 1. DEED OF VARIATION OF DEFAULT BENEFICIARIES

Please enter the date all named parties have signed this form.

This Deed of Appointment of Beneficiaries is made on (DD MM YYYY)

by  
(1st Trustee)

and  
(2nd Trustee)

and  
(3rd Trustee if any)

and  
(4th Trustee if any)

Please give the full names of the trustees. There may be a requirement to have at least two before this deed can be signed.

("the Trustees" which expression shall mean the one or more persons named above as appropriate).

### 2. BACKGROUND

Please enter the date of the original trust and the name(s) of whoever created it (the Settlor(s)).

2.1 This deed is supplemental to the declaration of Trust dated (DD MM YYYY)

("the Trust") made by  
(the Settlor)

and  
(the 2nd Settlor, if any)

2.2 The Trust includes in the Trust Fund (as defined in the Trust) the following Scottish Widows Limited policy(ies):

Policy Number(s)

Policy Type

Please note that this Deed of Appointment of Beneficiaries affects all of the assets of the trust and not just the policy(ies). Please give the policy number(s) and type of policy (eg term assurance) which are subject to the trust.

2.3 The Trustees wish to exercise their power to appoint beneficiaries from the possible beneficiaries specified in the Trust and their shares in the Trust Fund and income of it in the manner set out overleaf.







**5. SIGNATURES**

**IMPORTANT**  
The Settlor(s) and all trustees must sign the form and have their signatures witnessed by an independent witness (not a relative or another signatory to the form or a beneficiary). One person may witness all the signatures if convenient but this is not necessary.

**This and the preceding pages are signed as a deed and delivered by:**

Name of 1st Trustee

1st Trustee's signature  
in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

Name of 2nd Trustee

2nd Trustee's signature  
in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

Name of 3rd Trustee (if any)

3rd Trustee's signature  
in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode

5. SIGNATURES (continued)

This and the preceding pages are signed as a deed and delivered by:

Name of 4th Trustee (if any)

4th Trustee's signature

in the presence of:

Name of witness

Witness' signature

Home address of witness

Postcode



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