

Personal Injury Trusts - For Minors with Capacity

What Is A Personal Injury Trust For A Minor?

- Normally a personal injury award by the Court to a Minor will be held 'in Court' and invested by the Court Funds Office until the Minor is 18.
- In certain cases the Court may allow part of the award to come 'out of Court' to be held on trust for the benefit of the minor claimant.
- The Court must be convinced that taking funds out of Court is in the minor's best interests.
- It is normal that the Court will ask for advice from an independent financial advisor and a trust lawyer that such a trust will be in the Minor's best interests.
- The trust is established by a special 'trust deed' approved by the Court.

Why May It Be In The Minor's Best Interest To Create The Trust?

- It provides Trustees with the power to use income/and or capital for the benefit of the Minor (e.g. to fund a house purchase or refurbishment, purchase medical equipment, assist with transportation etc...) rather than requiring separate applications to the Court each time funds are required.
- It allows the trustees to invest the fund for future growth and plan for the Minor's long-term financial needs, rather than relying on the Court to choose investments.
- In later years, having the compensation in a Personal Injury Trust can help to protect their right to means-tested benefits. These may even be benefits they may be eligible for in the future or even means-tested assistance from their local authority.

Who Looks After The Trust Fund Until The Minor Reaches 18?

- The trust deed also states who looks after the trust fund. The people who look after it are called the 'trustees'.
- The Court will insist that at least one of the trustees is a 'Professional Trustee' i.e. someone who is or who has been carrying on a business which consists of or includes the management of trusts or the administration of estates.
- It is usual that the Court will approve the Professional Trustee acting together with the litigation friend and/or the Minor's parents as co-trustees. Please note that Professional Trustees will charge fees for administering such trusts.
- *The role of Trustee is fundamental to how the trust fund is managed and administered. As the litigation friend you should be completely satisfied that the Trustees are reliable, trustworthy and capable of carrying out their duties fully until the Minor reaches the age of 18.*

What Happens When The Minor Reaches 18?

- The Minor can request at that time that the Trustees pass all the money over and bring the trust to an end.
- It is important to understand that the compensation (both in Court and in trust) belongs to the Minor and the Court/Trustees are only taking care of the funds until the Minor is of full age and decides whether or not he or she would like the trust arrangement to continue.

How Can Russell-Cooke Assist?

- If you wish to create a Personal Injury Trust or discuss the above issues further then are happy to advise you, in consultation or writing, on the options available to you.
- Our usual charging rates will apply and fees will apply but we shall provide you an estimate of costs before any work is undertaken.
- Should you require further information then please complete the attached questionnaire and return it to: Rita.Bhargava@russell-cooke.co.uk t. 020 83946224

COMPENSATED PERSON'S DETAILS	
<i>Full Name</i>	
Address E-mail Address	
Tel No (Home) (Office) (Mobile)	
Date of Birth Place of Birth	
Family Status Date and place of marriage or civil partnership	
National Insurance No. Tax Reference.	
Please state what sum you expect to receive in compensation and when. Please also confirm if this is an interim or final payment.	

<p>Briefly outline the date and nature of the accident/incident for which compensation is being claimed</p>			
<p>Please list the names, and their relationship to you, of all those living in the same household as the compensated person.</p>	Name	Relationship	Under 16 years of age?
<p>Please give brief details of your current assets/savings</p>			

<p>Please list any benefits currently received or have been received by either the compensated person or their spouse or partner.</p> <p>Please provide as full details as possible inc. your local authority office and reference for any benefits received.</p>	
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WILL

<p><i>Do you have a Will?</i></p>	
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TRUSTEE'S DETAILS

	Name	Address	Occupation	Relationship to compensated person
<p>Who do you want to be trustees?</p> <p>These are the people who would like after your funds.</p> <p>Please list at least two choices but no more than four.</p>				

OTHER INFORMATION

**Please provide any
further information
that you feel may be
useful**

For more information please contact:

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