

## A Guide to Personal Injury Trusts



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#### What are Personal Injury Trusts?

A Personal Injury Trust is the only long term legal way for somebody to claim means tested benefits (should they otherwise be entitled to do so) whilst also being in receipt of a sum of money for compensation. To class as one, someone's compensation for personal injury needs to be put into a Trust.

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#### What's a Trust?

In simple terms (for PI Trust purposes at least), a trust is two or more people looking after money for someone else. The big question is, though, who looks after *your* compensation money? In most cases, the people who look after the

money for someone else are family members. Also, the person whose compensation it is can be one of the people looking after the money. The important thing is that the person whose money it is gets to choose who looks after it.

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#### Why would I need one?

Anybody who is in receipt of means tested benefits would definitely need a Personal Injury Trust. Realistically though, you only need to really consider having one if you are awarded more than £10,000 and, in the majority of circumstances, more than £16,000.

If someone receives compensation in excess of £30,000

we would strongly suggest they should have a Personal Injury Trust regardless of whether or not at present they are in receipt of means tested benefits.

Finally, for older clients or indeed anyone planning for their future, they are a useful way of protecting assets from being used to pay for care home fees.



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### What are Means Tested Benefits?

The following are all means tested benefits:

- > Income Support
- > Employment and Support Allowance
- > Housing Benefit
- > Council Tax Benefit
- > Working Families Tax Credit
- > Disabled Person's Tax credit

They are called means tested benefits as you only get them if you don't have that much money saved up. If you have over £6,000 saved up you are at risk of having your benefits reduced. If you have over £16,000 then you are at risk of losing them entirely.

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### Whose money is it and how can I spend it?

It's your money and as a general rule you can spend it how you like. Holidays are fine, as is a new car. The key to it all is keeping a record of what is spent and, where possible, paying for things directly from your trustee bank account. There are one or two other 'rules' to stick to as well which we go into more detail on in other documentation.

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### How are they set up?

A Solicitor needs to draw up what is called a "Trust Deed" for you. This *has* to be done by a Solicitor. This is where we at Jobling Gowler come in to assist you. In terms of what you need to tell us to set one up for you we only really need to know who you want to look after your compensation award for you. If a solicitor other than Jobling Gowler handled your claim for you then we would need to contact them also to obtain details of your claim for the Trust Deed.

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### How do I change Trustees if it doesn't work out?

Our trusts are worded in a way that ultimately gives the person whose compensation money it is the ability to choose their own trustees at all times. Therefore if you fall out with a trustee and need to replace them with somebody else you can do so, although you will need to fill out the appropriate legal documentation when you decide this and there would be a cost involved.

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### I've heard that a solicitor needs to look after the money for me?

In most cases that isn't true. You only need a solicitor to be involved if you are in receipt of a large award *and* you would benefit in some way from having them on board. The main example of when you would benefit from this is if your injury has left you vulnerable in some way and in those circumstances it can really help to have someone with authority to protect you from people who may not have your best interests at heart.

If you would like to learn more or discuss your circumstances with a specialist solicitor then please call the team on **01625 614 250** or email us at **[enquiries@jobling-gowler.co.uk](mailto:enquiries@jobling-gowler.co.uk)**

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