

VULNERABLE PERSON TRUST

Protect their inheritance. Support their future.

FERN

WILLS & LPAs

What it is

A Vulnerable Person Trust (VPT) lets you include a vulnerable or disabled loved one in your Will without leaving them a lump sum to manage alone. Trustees you choose hold the inheritance and use it for that person's long-term support, safety, independence and quality of life.

Protection with purpose	Trusted, flexible support
Because the inheritance is held by trustees rather than owned outright, a VPT can substantially reduce the risk that an inheritance disrupts means-tested support. It also helps protect the fund from pressure, misuse or unsafe spending.	Trustees can pay for care, accommodation, equipment, therapies, activities, travel and other things that genuinely help. A Letter of Wishes explains what good support should look like for your loved one.

How it works

1. **Choose the people.** Identify your loved one, the trustees who understand them and suitable back-up beneficiaries.
2. **Build the protection into your Will.** Give trustees the powers and safeguards they need, supported by a practical Letter of Wishes.
3. **Fund the trust after death.** The inheritance passes into the VPT instead of to the vulnerable person outright.
4. **Support the life they lead.** Trustees pay for suitable needs and opportunities while keeping the fund under responsible control.
5. **Keep the plan effective.** Trustees keep records and obtain current benefits, tax or investment advice when a decision calls for it.

Tax, benefits and registration snapshot

- **Means-tested support:** A well-drafted and carefully managed VPT offers a safer route than an outright inheritance where benefit disruption is a concern. Current rules and proposed payments should still be checked.
- **Special tax treatment:** If the beneficiary and trust meet the legal conditions, valuable Income Tax, Capital Gains Tax and Inheritance Tax treatment may be available.
- **Tax elections:** Trustees can obtain specialist help with the vulnerable-person election and any claims. Tax qualification and benefits treatment are separate questions.
- **Registration:** A Will-based VPT usually starts only when assets pass after death. An ongoing or taxable trust, or one claiming relief, may need Trust Registration Service registration.

PRACTICAL AND PROPORTIONATE Many quiet years may involve little or no paid specialist work. Trustees keep the fund and their decisions properly recorded, then bring in benefits, tax, investment or legal help when a significant payment, return or change makes it worthwhile.	KEEPING THE PROTECTION WORKING No trust can guarantee a benefits authority's or HMRC's decision. The practical strength of a VPT comes from sound drafting, suitable trustees and careful payments. Trustees should follow the trust, keep assets separate where required and check current rules before important decisions.
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Bring to your review

Your loved one's circumstances and future support • Relevant benefits or disability evidence • Likely inheritance • Intended trustees and back-ups • Other family beneficiaries • Priorities for the Letter of Wishes

After the first death

Executors and trustees bring the trust into operation when the inheritance passes. Fern can explain the next steps and introduce suitable benefits, tax, investment or trust-administration support where it is needed.

Fern's role

Fern can help you decide whether a VPT belongs in your Will, choose the right structure and trustees, and draft the trust and Letter of Wishes around the person you want to protect. We can also introduce specialist tax, benefits or trustee support when needed. Fern does not act as trustee or provide ongoing trust administration.