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**Personal Injury Trusts**

# What is a Personal Injury Trust?

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## Imagine a box ...

... which holds the money awarded to you to compensate for your personal injury

... which is there to assist you with your day-to-day needs

... which two or more carefully chosen people can look after on your behalf

## ...this is a Personal Injury Trust

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Why would I put my personal injury compensation into a Personal Injury Trust?

A Personal Injury Trust allows you to keep your entitlement to any state benefits or statutory funding that may be due to you either now or into the future, including means-tested benefits such as:

- Housing Benefit
- Council Tax Reduction
- Income Support
- Working Tax Credit
- Income based Jobseekers Allowance
- Employment and Support Allowance

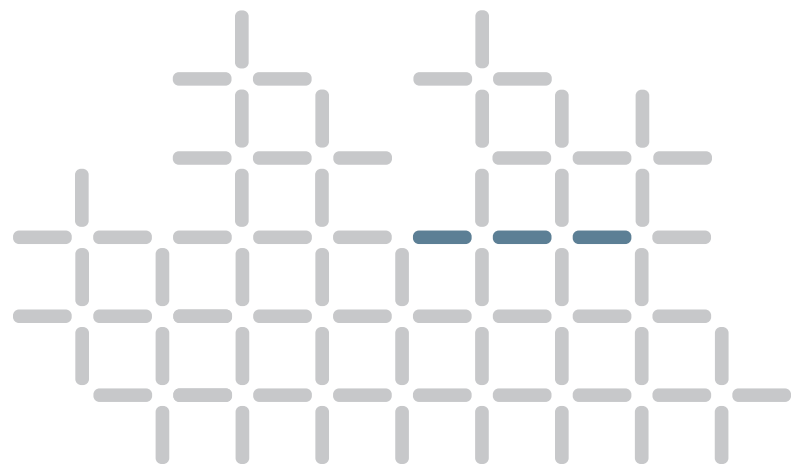
As well as statutory funding for things such as Direct Payments to fund:

- A “buddy”
- Help around the home
- A support worker to help with day-to-day living
- Nursing Care outside of a hospital

I work and am not entitled to state benefits. I don't need care. Do I need a Personal Injury Trust?

A Personal Injury Trust may not be for you, BUT you should bear in mind that your personal circumstances may change and this may mean:

- You become entitled to means-tested benefits in the future
- Benefits which are not currently means-tested may change and you might lose your entitlement to them
- Your health may deteriorate and you might need additional support
- Your partner might be entitled to benefits or care and support funding and the income and capital from your compensation award might make them ineligible



# When should I decide whether or not to have a Personal Injury Trust?

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Your final personal injury award and interim payments can push your savings above the financial threshold limits for benefits and support funding. It is therefore a good idea to take advice about whether or not to get a Personal Injury Trust as soon as possible.

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Your Trust will need to be set up within 52 weeks from the date that you receive any payment to compensate you for your injury. That payment may be an interim or final payment from an insurance company or it may be a payment from another source such as a benefit connected with your employment.

It is therefore important to act promptly if you know that a payment is due.

If you have already received a compensatory payment it may not be too late. We can give you advice based upon your personal circumstances.

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## How does it work?

A Personal Injury Trust can make a huge difference to your life helping you to keep your benefits and safeguard your finances.

You will need Trustees to look after your compensation and release funds to you as and when required. They will need to open a special Trust bank account to hold your compensation funds.

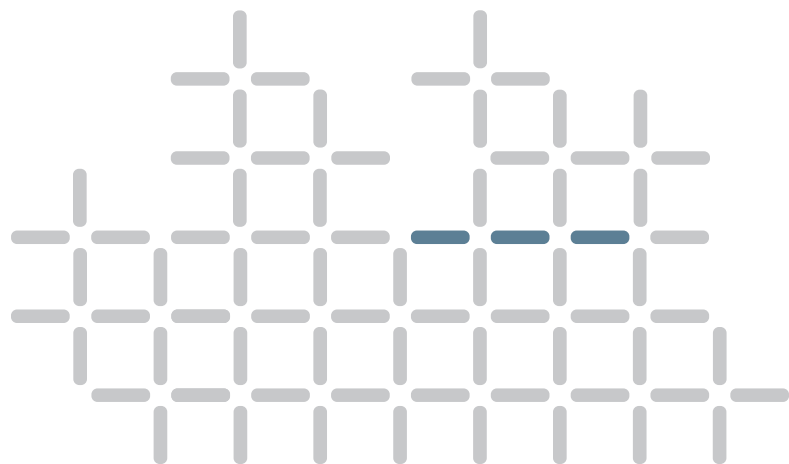
Hyphen Law can work with you to create a suitable Trust and, should you wish to do so, you can appoint us to act as your Trustees.

## What if I want to bring the Trust to an end?

Your Trustees will only be permitted to use the funds held in your Trust for your benefit.

If in the future you decide that you no longer want the Trust, you can bring it to an end. This would mean that the funds held in the Trust would be transferred to you and held in your name.

However, you must remember that this is likely to result in you no longer being eligible for means-tested benefits or statutory funding.



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## What happens when I die?

On your death, the funds held in the Trust will pass to your estate to be administered under the terms of your Will. If you do not have a Will, the funds held in the Trust will still fall into your estate but will instead be administered under the intestacy rules. The intestacy rules set out what happens to someone's estate if they have no Will.

## How do I decide whether it is worth putting my compensation into a Personal Injury Trust?

Have you received personal injury compensation within the past 52 weeks or will you be receiving compensation in the future as a result of a personal injury claim?

Is the overall value of your capital assets below £23,250 or likely to fall below £23,250 in the future? It is worth bearing in mind that your personal circumstances, such as your employment or care needs, may change over time.

Are you currently in receipt of means-tested benefits? It is again worth bearing in mind that you may become entitled to means-tested benefits in the future, benefits that are not currently means-tested may become subject to means-testing or your personal circumstances may change. For example, you may not be able to work in the future or you may become eligible for local authority care funding.

If you answered 'yes' to any of these questions, then you should seriously consider a Personal Injury Trust.

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# Do you have any more questions?

If you would like a free, no obligation discussion with one of our expert Personal Injury Trust lawyers, please contact us:

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