

# PERSONAL INJURY TRUSTS

Factsheet



If you have been awarded damages for a personal injury then you should consider setting up a Personal Injury Trust (PIT).

## Why?

The danger for you is that if, now or in the future, you receive benefits either from the Department for Work and Pensions (DWP) or the local authority which are subject to means testing, then the amount you receive will be taken into account and you may lose the benefits to which you might otherwise be entitled.

A PIT puts the amount received into safekeeping, where it should not be taken into account for state benefit assessment purposes. The means-testing regimes mean that capital awards placed in a Trust are 'disregarded assets'. Without the creation of a PIT, you could actually be worse off for having been awarded damages. It is important to note that a Personal Injury Trust structure does not remove the funds from the beneficiary's estate for Inheritance Tax (IHT) purposes, but could offer additional protection for the beneficiary's family in the future. We, at Coles Miller Solicitors LLP, have dealt with the creation of numerous PITs for clients who have been awarded damages for Personal Injury and can advise on all aspects of PITs.

## What Should I do now?

Please think about your requirements and contact us, for just a preliminary discussion by telephone or for a short meeting at no cost to you.

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