



WILSON BROWNE
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Personal Injury Trusts

Personal injury Claimants are often on benefits due to disability and incapacity for work. If proper steps are not taken, a compensation award can count as capital and preclude Claimants from receiving any further means tested support and care. Personal injury trusts are specifically provided for in law and enable Claimants to benefit from their compensation award without loss of means tested entitlements such as Income Support, Housing Benefit and Income Based Job Seekers Allowance.

A personal injury trust may not be appropriate for every successful claim but a trust certainly should be considered in any case where you or your partner are in receipt of means tested benefits (or are likely to claim means tested benefits in the future) and when you are likely to recover more than £3,000 by way of damages. Otherwise your award might quickly be eroded by living expenses incurred which must be funded from your capital because your benefits and other entitlements have been foregone.

Some Claimants prefer to have control of their money despite the loss of benefits. In other cases the cost of setting up and maintaining the trust outweighs the likely loss of benefits (especially in cases where the claimant is likely to improve, get back to work etc. in the foreseeable future).

Some benefits are not means tested and it may be possible to avoid loss of benefit by spending your award on certain exempted items (such as the purchase of the house in which you live) whereby the capital will be disregarded, but it is not possible just to give the money away to a relative or spend it on non-exempted items. Such actions would be deemed by the authorities as "deprivation of capital" and your benefits would still be lost.

For further information please contact Rachel Rogers on **01536 410041** or by email at rrogers@wilsonbrowne.co.uk.