

TRUST

In the past, the following trusts can be created at inception or after inception of new policy

- Section 73 of the Conveyancing and Law of Property Act (Cap 61) **Death Benefits to Beneficiary**
- Section 73 of the Conveyancing and Law of Property Act (Cap 61) **Lifetime Benefits to Beneficiary**
- **Non-Statutory Trust**

GOING FORWARD...

Going forward, for simplicity reason and to avoid unnecessary confusion, we will use only one form for Section 73 which is **Policy Benefits to Beneficiary** form. Please disregard the previous version of the said form and use this simplified version attached:



"SC73 Policy Benefits to Beneficiary form.pdf"

- Please cease usage of the **Lifetime Benefits to Beneficiary Form & Non Statutory Form** with immediate effect.

SECTION 73 OF THE CONVEYANCING AND LAW OF PROPERTY ACT (CAP 61) DEATH BENEFITS TO BENEFICIARY

- To be completed by Assured/Policy Owner in cases where the Assured/Policy Owner intends to nominate his/her spouse and / or children as beneficiaries of the policy benefits.
- Once the form is completed with such nomination made, a s.73 trust is created and cannot be revoked.
- The Assured/Policy owner gives up **all legal rights** over the policy benefits of a policy upon creation of the s.73 Trust.

Amendments to the Policy...

- Consent need to be obtained from Trustee(s) or beneficiary(ies) [in the case where there is no Trustee(s) appointed], should the Assured/Policy Owner wishes to make amendments to the policy

For Death Benefit Payouts...

- Death Benefit Payouts will be paid to the Trustee(s) appointed, if any, for the benefit of the beneficiaries up to the statutory limit of S\$150,000. Any other amount exceeding the statutory limit will be administered by the legal personal representatives appointed under the letters of administration or grant of probate.

For Death Benefit Payouts where no trustee has been appointed...

- For Death Benefit Payouts where no trustee has been appointed, the death benefits shall be paid directly to the beneficiary(ies) up to the statutory limit of S\$150,000. Any amount exceeding the statutory limit will be administered by the legal personal representatives appointed under the letters of administration or grant of probate
- If the beneficiary(ies) is a/(are) minor(s) and no trustee has been appointed, the death benefits will be administered by the legal personal representatives appointed under the letters of administration or grant of probate.
- If a beneficiary predeceases the policy owner, his portion of the benefits will go to his estate.

For all other payouts other than Death Benefits...

- All other payouts (e.g. cash withdrawals, bonus surrender values, policy loans and maturity proceeds) other than death benefits, will be paid to the Trustee(s) appointed, if any, for the benefit of the beneficiaries.

For all other payouts other than Death Benefits where no trustee has been appointed...

- Where no trustee has been appointed, the Assured/Policy Owner shall be the default Trustee.
- For all other payouts other than death benefits where no trustee has been appointed, the Assured/Policy owner will be the default Trustee and the payouts shall be paid to the Assured/Policy Owner in that capacity.

IMPORTANT NOTE:

Kindly note that Section 73 cannot be applied for CPFIS policies as CPF Board had indicated that assignment of death benefit is only allowed if the member's rights to the policy are unencumbered during his lifetime. Section 73, being irrevocable, does not meet the condition specified by CPF Board for allowing assignment of death benefit.