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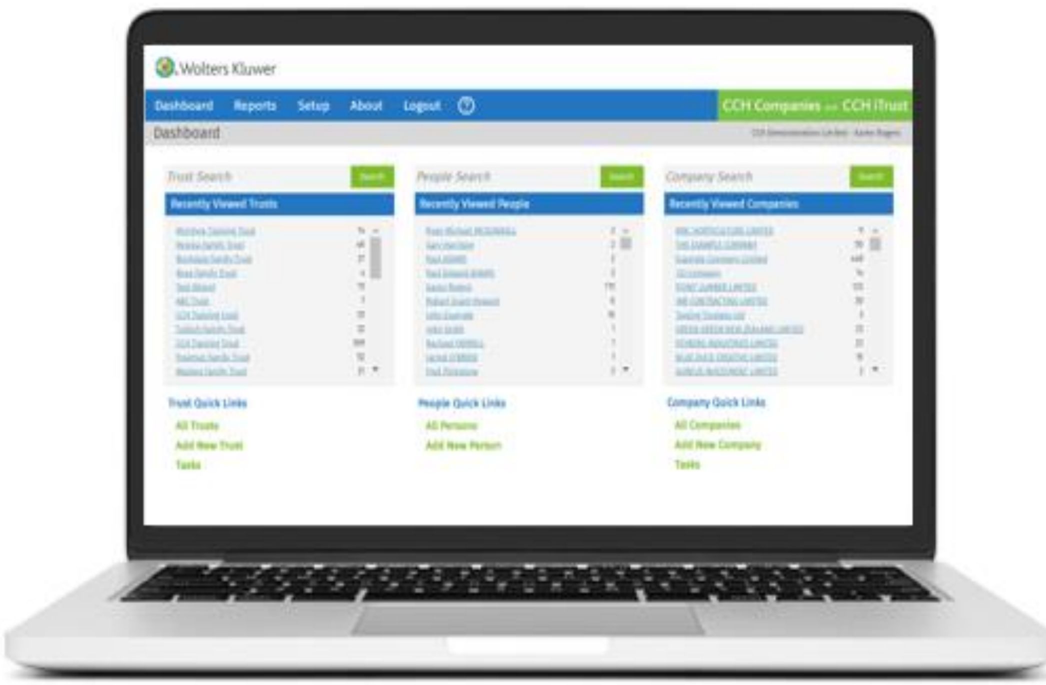
CCH Entities



Trusts Bill arrives: How CCH iTrust can help you

With the new Trusts Bill introduced at the beginning of this month, we now have a little more clarity as to what our future will look like.

Although the Trusts Bill reflects much of our existing trust law, there are some novel features, including:

A new rule that trusts have a maximum duration of 125 years.

A provision stating if a trust has a sole trustee, that trustee cannot be the sole beneficiary.

The presumption that trustees must make *basic trust information* available to every beneficiary (or representative of a beneficiary if the beneficiary does not have capacity).

This last feature – the presumption that trustees must disclose basic trust information to beneficiaries – is the most contentious of the changes in the Trust Bill.

What is "basic trust information"?

Basic trust information is defined as:

- the fact that a person is a beneficiary of the trust
- the name and contact details of the trustee
- the occurrence of, and details of, each appointment, removal, and retirement of a trustee as it occurs, and
- the right of the beneficiary to request a copy of the terms of the trust or *trust information*.

"Trust information" is broadly defined to mean any information regarding the terms of the trust, the administration of the trust, or the trust property but does not include the reasons for trustee decisions.

Presumption to disclose information not an absolute requirement

Although there is a presumption to disclose, this does not necessarily mean that trustees *must* disclose basic trust information (or trust information) to all beneficiaries. Trustees will still be able to refuse to provide some or all of the information if, after considering a range of factors, they reasonably consider that the information should not be made available to every beneficiary. The factors that trustees must take into account include:

The nature of the various beneficiary interests in the trust, including the likelihood of the requesting beneficiary receiving trust property in the future;

Whether the information is subject to personal or commercial confidentiality;

The expectations and intentions of the settlor when the trust was created as to whether the beneficiaries, and the qualifying beneficiary in particular, would be given information (if known);

The age and other circumstances of the requesting beneficiary and the other beneficiaries of the trust;

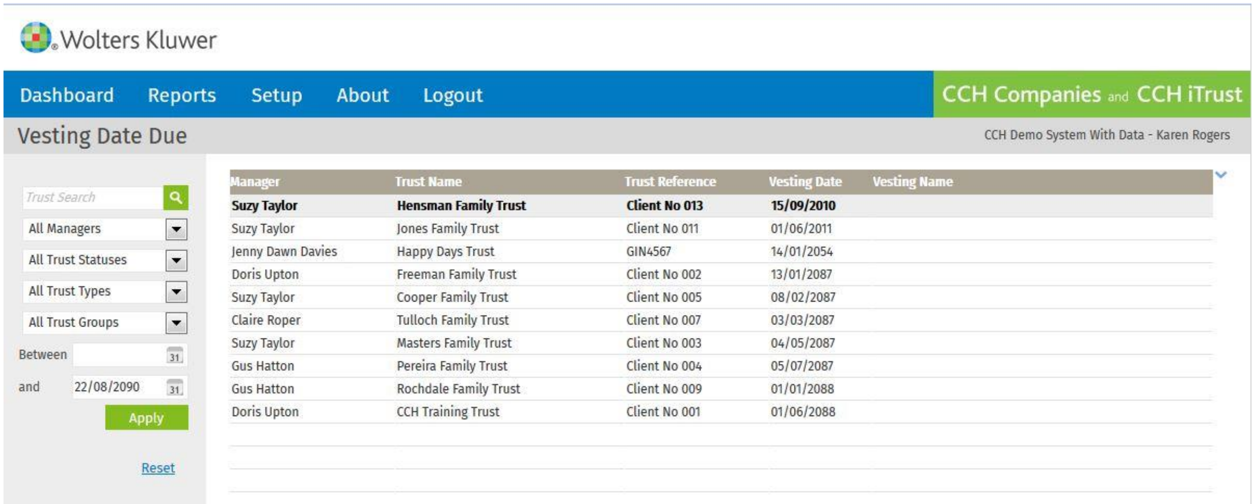
In the case of a family trust, the effect that disclosure would have on relationships within the family and the relationship between the trustees the various beneficiaries to the detriment of the beneficiaries as a whole; and

In a trust that has a large number of beneficiaries or unascertainable beneficiaries, the practicality of giving information to all beneficiaries or all members of a class of beneficiaries.

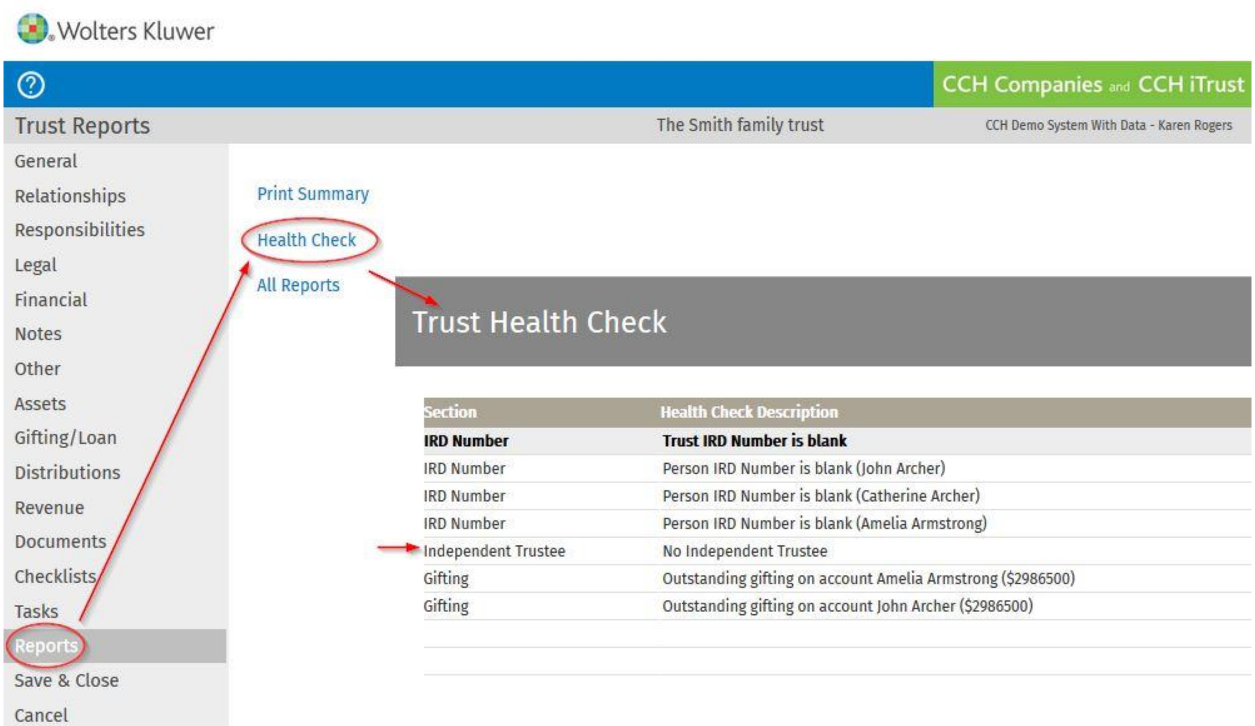
With regard to basic trust information, trustees are required to assess at regular intervals their decision to disclose (or not).

HOW CCH Entities Trust Manager can help you.

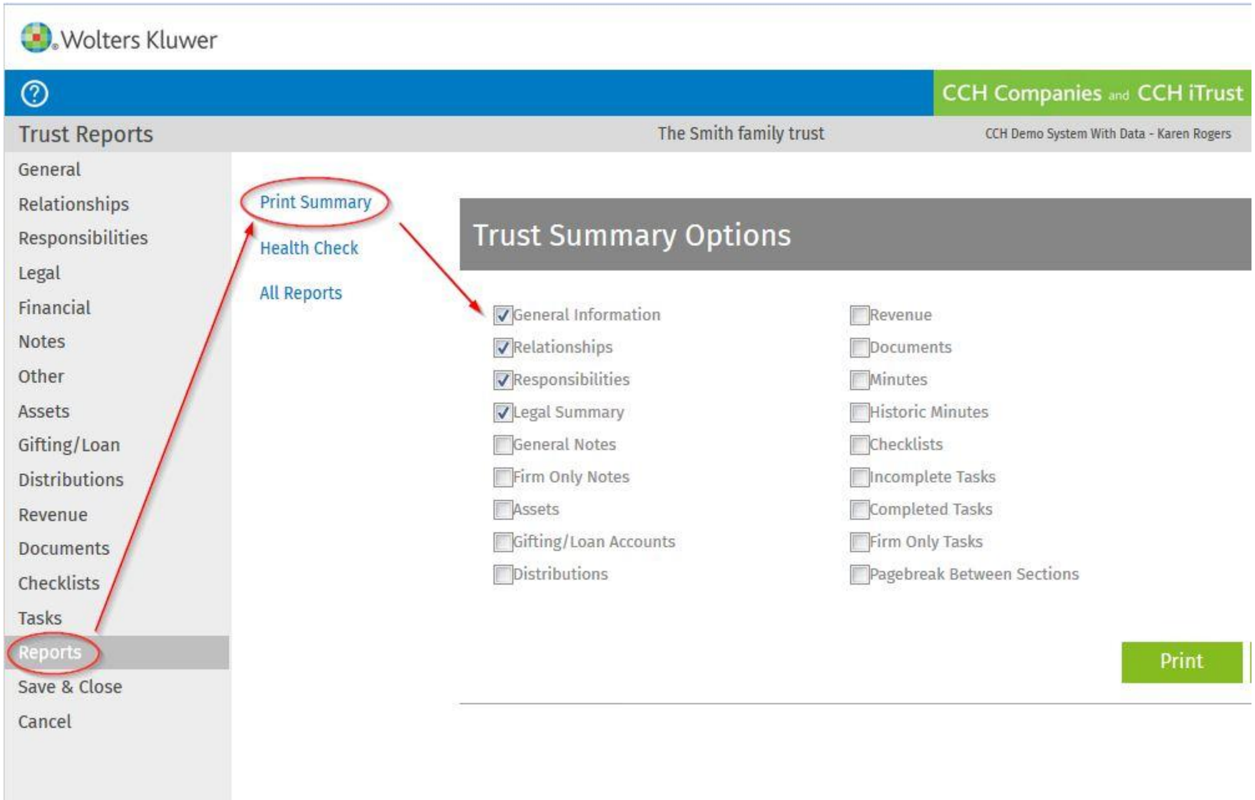
1. We will increase the default vesting date from 80 years to 125 years so that when you add a new trust the date will be automatically calculated for you. CCH Entities also contains a **Vesting Due Report** which can help you to keep track of vesting dates becoming due.



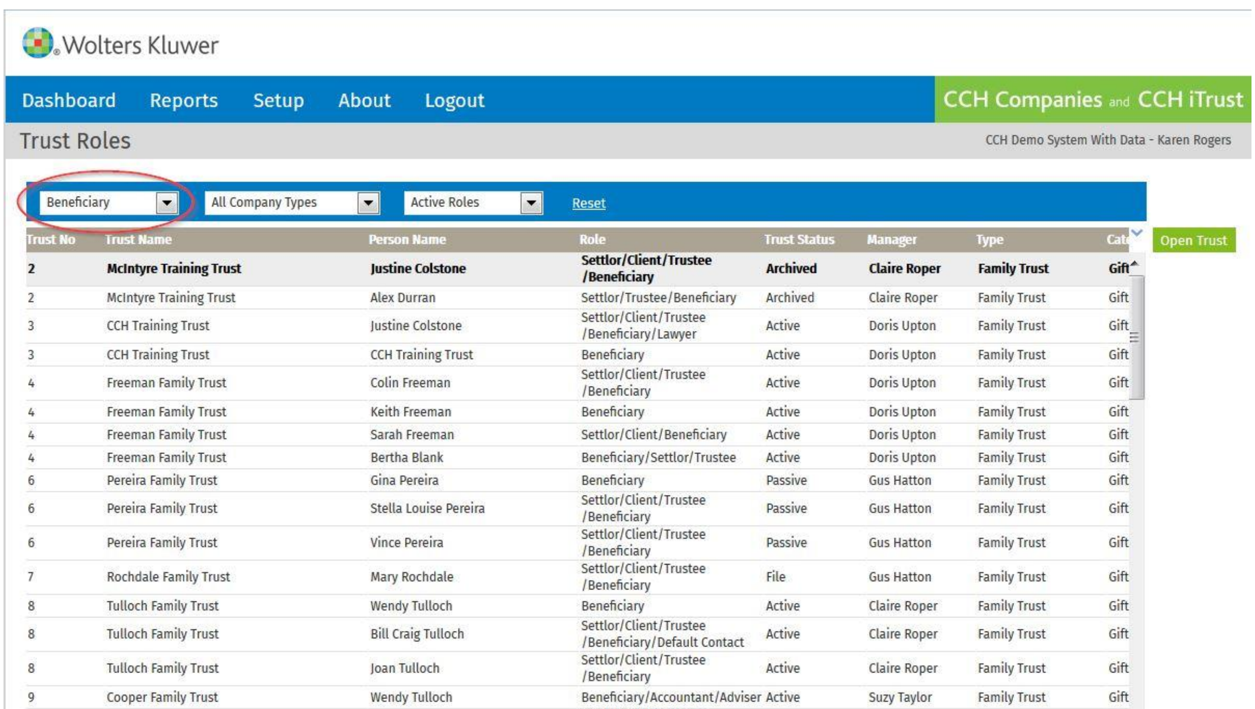
2. **The Health Check Report** can currently tell you if you don't have an independent trustee (ie. a trustee who is not also a settlor or a beneficiary). We are extending this report to show where a trust has a sole trustee who is also the sole beneficiary.



3. A basic trust information report for beneficiaries can be created by selecting only the required information when generating a **Trust Summary Report.**

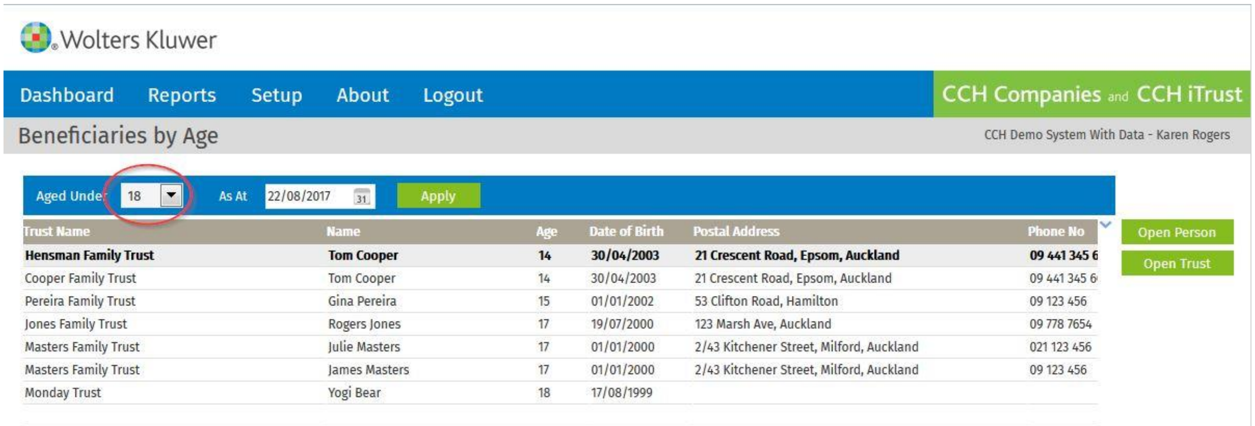


4. Use the **Trust Roles Report** and filter to beneficiaries for a list of all named beneficiaries in your database.



Trust No	Trust Name	Person Name	Role	Trust Status	Manager	Type	Cat
2	**McIntyre Training Trust**	**Justine Colstone**	**Settlor/Client/Trustee /Beneficiary**	**Archived**	**Claire Roper**	**Family Trust**	**Gift**
2	McIntyre Training Trust	Alex Durran	Settlor/Trustee/Beneficiary	Archived	Claire Roper	Family Trust	Gift
3	CCH Training Trust	Justine Colstone	Settlor/Client/Trustee /Beneficiary/Lawyer	Active	Doris Upton	Family Trust	Gift
3	CCH Training Trust	CCH Training Trust	Beneficiary	Active	Doris Upton	Family Trust	Gift
4	Freeman Family Trust	Colin Freeman	Settlor/Client/Trustee /Beneficiary	Active	Doris Upton	Family Trust	Gift
4	Freeman Family Trust	Keith Freeman	Beneficiary	Active	Doris Upton	Family Trust	Gift
4	Freeman Family Trust	Sarah Freeman	Settlor/Client/Beneficiary	Active	Doris Upton	Family Trust	Gift
4	Freeman Family Trust	Bertha Blank	Beneficiary/Settlor/Trustee	Active	Doris Upton	Family Trust	Gift
6	Pereira Family Trust	Gina Pereira	Beneficiary	Passive	Gus Hatton	Family Trust	Gift
6	Pereira Family Trust	Stella Louise Pereira	Settlor/Client/Trustee /Beneficiary	Passive	Gus Hatton	Family Trust	Gift
6	Pereira Family Trust	Vince Pereira	Settlor/Client/Trustee /Beneficiary	Passive	Gus Hatton	Family Trust	Gift
7	Rochdale Family Trust	Mary Rochdale	Settlor/Client/Trustee /Beneficiary	File	Gus Hatton	Family Trust	Gift
8	Tulloch Family Trust	Wendy Tulloch	Beneficiary	Active	Claire Roper	Family Trust	Gift
8	Tulloch Family Trust	Bill Craig Tulloch	Settlor/Client/Trustee /Beneficiary/Default Contact	Active	Claire Roper	Family Trust	Gift
8	Tulloch Family Trust	Joan Tulloch	Settlor/Client/Trustee /Beneficiary	Active	Claire Roper	Family Trust	Gift
9	Cooper Family Trust	Wendy Tulloch	Beneficiary/Accountant/Adviser	Active	Suzy Taylor	Family Trust	Gift

5. You can also check the **Beneficiaries by Age Report** to identify those beneficiaries under the age of majority.



Trust Name	Name	Age	Date of Birth	Postal Address	Phone No
Hensman Family Trust	**Tom Cooper**	**14**	**30/04/2003**	**21 Crescent Road, Epsom, Auckland**	**09 441 345 6**
Cooper Family Trust	Tom Cooper	14	30/04/2003	21 Crescent Road, Epsom, Auckland	09 441 345 6
Pereira Family Trust	Gina Pereira	15	01/01/2002	53 Clifton Road, Hamilton	09 123 456
Jones Family Trust	Rogers Jones	17	19/07/2000	123 Marsh Ave, Auckland	09 778 7654
Masters Family Trust	Julie Masters	17	01/01/2000	2/43 Kitchener Street, Milford, Auckland	021 123 456
Masters Family Trust	James Masters	17	01/01/2000	2/43 Kitchener Street, Milford, Auckland	09 123 456
Monday Trust	Yogi Bear	18	17/08/1999		

New Trust Deed

The new trust deeds have been added to the software. These have been written in such a way that they **CAN BE USED NOW**. Selecting the perpetuity period is part of the document creation process so that they can be used for trusts of both 80 and 125 yrs.

Deeds of Variation

For trusts created with either the original deeds or the new deeds using the 80 year perpetuity period we will provide deeds of variation to change that clause. These are not in the system yet as they **CANNOT BE USED** until after Jan 31st 2021.

Beneficiary Disclosure Letters

4 new beneficiary disclosure letters have been added. These **CAN BE USED NOW.**

There is some discussion as to whether trusts MUST disclose information before Jan 31st or do not have to until AFTER Jan 31st. The letters are available, and firms can use their own discretion as to whether they use them now or not.

Workflows

All new workflows from the Trustee's Handbook, 5th Edition have been added. These **CAN BE USED NOW.**

Minutes

All new minutes from the Trustee's Handbook, 5th Edition have been added. These **CAN BE USED NOW.** There are also additional minutes that are not from the Trustee's Handbook and those are under review.

Resolutions

All new minutes from the Trustee's Handbook, 5th Edition have been added. These **CAN BE USED NOW.** There are also additional resolutions that are not from the Trustee's Handbook and those are under review.

Portal

We are also have our existing Trustee Portal (free for all CCH iTrust users) to allow the sharing of information with any person associated with the trust (including beneficiaries). This is incredibly exciting as firms will have a greater obligation to share information next year and the portal is an acceptable and convenient way to do so. The enhanced portal will allow firms to be specific about which information they share from everything to a single document.

This free portal can be implemented at any time although may choose not to share additional information with beneficiaries until required to do so in Jan 2021.

XERO interface now live

If you have a contact database in Xero we can now link that to your CCH Entities Trust Manager (and CCH Entities - Companies) data. Please contact your account manager for more information.