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SOLICITORS

# Personal Injury Trusts

## Personal Injury Trusts

- Personal Injury Trusts are often set up when compensation has been received for either personal injury or clinical negligence litigation and the person in receipt of compensation retains mental capacity to manage their financial affairs.
- The trustees are required to act in the person's best interests and to ensure that various trustee obligations are met.
- An advantage of setting up a Personal Injury Trust is that the person can retain eligibility for state care funding and means tested benefits.
- In many cases the Trust is in the form of a bare trust where the compensated person can collapse the trust at any time should they choose to do so and always have the absolute right to any capital or income within the trust.