

Queensland Public Trustee

Minor Trust services Guide for parents and guardians

Helpful information for parents and guardians of a child who has a Minor Trust being administered by Queensland Public Trustee.

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About Trusts

A Trust is a legal arrangement where a person or entity (such as a company or an organisation) holds assets including real estate and money for beneficiaries. Trusts are established by Trust instruments, which is a document such as a person's Will, a deed, letters from superannuation funds or a court order or sanction.

The Trustee is the person or entity responsible for administering the Trust and beneficiaries are the people or entity that benefit from the Trust assets or funds.

Each Trust specifies:

- what assets make up the Trust
- who can receive benefits from the Trust (beneficiaries)
- what the beneficiaries can receive from the Trust.

Purpose of a Minor Trust

The purpose of a Minor Trust is to manage and protect assets for a child until they reach a specific age. Some Minor Trusts provide funds for a child during their childhood, while others don't provide any funds until they reach adulthood.

The duration of a Minor Trust depends on the document that governs the Trust. Most Minor Trusts come to an end when the child reaches a specific age, which is usually 18, 21 or 25 years of age.

When QPT is appointed as Trustee

Every Trust has a legal document that authorises a nominated person or company to act as Trustee of the funds. QPT may be appointed as Trustee for a Minor Trust under the following circumstances:

- **by the terms of a Will** — when a child is named as beneficiary of a Trust and Queensland Public Trustee is named as the Trustee
- **by the Supreme Court** — when a child receives damages for personal injury in a court case and the funds are to be held in Trust
- **by legislation** — when a child receives financial compensation as a victim of an accident or crime and the funds are to be held in Trust.



Our Trust administration services

As Trustee, our role is to ensure the child's rights, interests and opportunities are promoted. We do this by taking responsibility for managing and preserving the assets set aside in the Trust for their future needs and ensuring funds are only used for their benefit.

In the case of a Minor Trust, it is standard practice for the Trustee to interact with the parent or guardian as the primary contact in matters relating to the Trust until the child turns 18. This is because under the law, a child is deemed to not have full capacity to deal with matters relating to their legal and financial affairs.

Here are the steps we take to administer a Minor Trust.

Annual financial plan

We develop a budget and financial plan. We seek your views, wishes and preferences about how we manage the investment, including ways we can maximise benefits for the child's current and future needs.

The budget is a plan to help manage the money held in Trust for the child's benefit. It provides information about how much money is coming into the Trust (income), and how much money is going out of the Trust (expenses) for the next 12 months.

When reviewing the budget, we seek to understand the financial requirements of the child for the next 12 months. For example, if funds are required for education or medical expenses, these funds can be set aside in a Cash Common Fund so they can be accessed when required, with the remaining funds invested for higher returns as part of the financial plan.

Manage and invest funds

We invest the Trust funds according to the investment strategy that was developed as part of the financial plan. We place the funds in the most suitable investment option according to the goals of the financial plan. We review the interest rates on the investments and adjust them annually according to what is happening in the broader financial market.

Around half of the Minor Trusts we administer have assets under \$10,000. For small trusts such as these, our objective is to invest the funds in low-risk options to protect and maintain the asset for the child's benefit. For Trusts with more sizable funds and with a longer Trust term, we can investigate a broader range of options that may help achieve higher returns.

Provide financial records

We provide you with an annual statement that details our fees to manage the Trust, outlays from other providers, income received, and any funds distributed to beneficiaries. If you would like to receive these statements more frequently, please contact us.

We also provide tax information as required for lodging tax returns.

Requests for funds

We work with you to make decisions about requests for Trust funds to ensure they are for the direct benefit of the child.

Close the Trust

When the child reaches the required age, we will take steps to close the Trust. We write to both you and the child approximately one month before the Trust is due to come to an end. We will then work directly with the child to close the Trust including completing any final tax matters, providing a final statement and distributing the funds.

Requesting funds from the Trust

Most Minor Trusts allow for funds to be withdrawn from the Trust if it is used for the direct benefit of the child such as for education and health expenses. However, it's important to know that when this happens, there are less funds invested, which may reduce investment returns and the amount of money available for the child at the end of the Trust.

When funds are requested, we take the following into account:

- any specific rules about what purposes the funds may be used for, as outlined in rules of the Trust
- the best interests of the child including ensuring the funds will be of direct benefit to them
- what other funds could be used for the required purpose — including other Trusts or family income.

Examples of the types of expenditure that may be approved include:

- educational expenses including school fees, books, computer, camps or excursions and tutoring
- medical expenses including dental costs such as braces
- maintenance expenses to contribute to a child's everyday living costs such as clothing and housing.

Application process to apply for funds

A request for funds can be made by the child's legal guardian, or by the beneficiary themselves after reaching the age of 18. Approval is not automatic, so it's best to discuss these requests with us first before committing to any payments. In cases where the request is approved, we will transfer a direct payment to the supplier of the goods or services.

The process to apply for funds from a Minor Trust depends on the type of expense you're requesting.

Application for education and medical expenses

Each year we will ask you to complete a Budget Advice Form to let us know about any funds that may be required from the Trust over the next 12 months for health and education purposes. We will assess the request to ensure the funds will be of direct benefit to the child. If approved these funds will be set aside so they are available as required.

If circumstances change throughout the year, you can contact us for information about making a separate request for funds for things such as education and medical expenses.

Application for maintenance expenses

Some Minor Trusts allow for funds to be accessed for the maintenance expenses of the child such as food, clothing and accommodation. As Trustee, we are required to establish information about your family's income, expenses and any other information to help determine your eligibility to access funds for this purpose. We will ask you to complete an application form that provides these details along with information about how the funds will be used for the child's benefit.

Fees

We charge fees for administering the Trust. Our fees are based on the amount of effort required. Our fees are calculated on an annual basis and charged to the Trust monthly.

We strive to provide affordable services for Minor Trusts as part of our social responsibility to support the interests of vulnerable Queenslanders. As most Minor Trusts only hold a small amount of assets, most customers would find it difficult to source affordable services from the private sector. We therefore provide additional protection for Minor Trusts to ensure the total fee does not exceed the annual income generated by the Trust, with the fee being capped at a small percentage of the assets held in Trust.

Fees are calculated over the financial year (1 July to 30 June) and are charged monthly to the Trust. We provide you with a summary of all fees and charges as part of your annual statement.

Checklist for parents and guardians

The following checklist contains important information to keep in mind for the long-term management of a Minor Trust. It's helpful to review this list every so often to ensure we have everything we need to provide the best possible service to you.

- ☐ Provide us with your updated address and contact details if you move.
- ☐ Advise us if the child moves out of home, and if someone else is acting as their Guardian.
- ☐ Notify us if there are changes to your financial circumstances such as income or employment. This is so we can take this into account when assessing your applications for Trust funds and when reviewing the investment strategy for the Trust funds.
- ☐ Notify us of any disabilities, medical conditions or other circumstances that may affect the child's required access to Trust funds.
- ☐ Ensure the child is aware of the Trust before they turn 18, as we will start communicating directly with them from this time.
- ☐ Provide us with an original or certified birth certificate of the child.



General information

Your privacy

We take all necessary steps to protect the privacy and confidentiality of our customers. That includes the privacy and confidentiality of individuals we interact with in relation to the Trust.

Any personal information we collect from you is only accessed by authorised officers within QPT and will not be disclosed to any other third party without your consent except where required by law.

Making a complaint

We take your feedback seriously as part of our ongoing commitment to provide professional and customer-focused services. We manage all customer complaints in line with our Customer Complaints Management Policy, which all staff must understand and comply with. The easiest way to make a complaint is to contact a staff member who will help you. Other ways to make a complaint:

- use our complaints form — visit www.pt.qld.gov.au and search 'complaints'
- call our complaints line on 1800 014 536 (Monday – Friday, 9am – 4pm)
- email us at complaints@pt.qld.gov.au
- write to us at: Complaints Office, Queensland Public Trustee, GPO Box 1449, BRISBANE QLD 4001

Feedback and suggestions

To help us continually improve our services we regularly undertake surveys to seek feedback from our customers. Responses are gathered by an independent research company and are treated as confidential. There is no obligation to participate, but we are very appreciative of those who do as it allows us to continue improving our services.

Frequently asked questions

How does QPT invest funds and assets held in Trust?

When we invest funds held in Trust, we consider the specific issues and circumstances of the beneficiary. Investment strategies may vary depending on:

- the type of Trust
- terms of the Trust
- assets and value of the Trust
- likely duration of the Trust
- needs of the beneficiary.

Prior to implementing a new investment strategy, we seek involvement of the guardian/parents of the child, or the beneficiary themselves if they are over 18 years of age.

Does QPT contact the Child directly about their Trust?

We will commence contact with the child approximately one month before they turn 18 years of age. It's therefore recommended that you ensure the child is fully aware of the Trust before they become an adult.

If the Trust is due to come to an end when the child turns 18, we will contact them to plan for the Trust to be closed.

If the Trust is to continue after the child turns 18, we will engage with them directly, rather than through the legal parent or guardian, up until such time as the Trust is to be closed.

What happens if there are changes to the legal guardian for the minor?

You should contact us immediately if there is a change in guardianship arrangements for the child. We will work with both the current and new guardian to provide the documents we require to transition the guardianship details for the Minor Trust.

Key terms

The following are explanations of terms used in this Guide. They are not intended as legal definitions.

Beneficiary	A person eligible to benefit from the Trust assets. In the context of this document the beneficiary is the child (or 'minor') that the Trust was created for.
Deed	A type of document recording a legal arrangement such as creation of a Trust. It will usually state who the Trustee is, the beneficiaries, the initial Trust assets and any special rules or terms of the Trust.
Guardian	A person the law regards as having proper authority with respect to the care and control of the affairs, property or rights of another person.
Minor / Child	A person less than 18 years of age. In this guide, it is also used to refer to an older beneficiary of a Trust where the terms of Trust require the Trust assets to be maintained until the beneficiary reaches an older age, for example, 25 years.
Statement of Account	A statement that summarises the transactions of the Trust processed during the statement period and is grouped by transaction type.
Terms of Trust	Any special rules written into the Trust Deed or Trust Document, which the Trustee must follow or is guided by.
Trust Document	This can be one or more documents which together define a Trust, such as a Will, Probate, Deed, Court Order or legislation.
Trustee	A person or entity that holds Trust property for the benefit of the beneficiaries or for certain purposes.
Will	A legal document in which a person specifies how they would like their estate to be dealt with after their death.



Contact us

For more information about our Minor Trust services:

- visit www.pt.qld.gov.au/customers
- call us on **1300 360 044**