

# What is a minor's trust?

**A minor's trust manages and protects assets on behalf of a child until they reach a specified age (usually 18, 21 or 25) or when a specific milestone is achieved (e.g. the completion of tertiary education). Some minor's trusts provide funds to benefit a minor during childhood, while others only hold and protect funds until the minor reaches adulthood.**

## Who can be a beneficiary of a minor's trust?

Usually any child under age 18 can be the beneficiary of a minor's trust. There can be multiple beneficiaries under the one trust.

## What can the trust be used for?

In general terms, any expenditure from the trust must benefit the minor.

Some trust deeds specify that trust funds may only be used for specific purposes, such as education and recreation, or medical expenses particularly in instances where a minor has a disability or illness.

Other trust deeds do not allow any expenditure during the trust's lifetime.

## What is the benefit of a minor's trust?

It may give you peace of mind from knowing that the required funds will be allocated and protected beyond your lifetime to ensure your minor age children will be cared for.

## How can a minor's trust be established?

Typically, a minor's trust is incorporated in a will and is activated when the will maker dies.

Minor's trusts may also be established during your lifetime or may be established at the request or direction of a court to hold compensation for an injury or for a civil or criminal act.

## Who can be a trustee?

The trustee may be a parent, sibling or friend of the minor, as long as they are over 18 years of age and Australian residents. You may also appoint a fiduciary company as trustee.

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