



ARTS CLUB
ALIVE ON THREE STAGES

STANLEY
INDUSTRIAL
ALLIANCE
STAGE

GRANVILLE
ISLAND
STAGE

NEWMONT
STAGE AT THE
BMO THEATRE
CENTRE

Trusts 101 with Rhys Webb

Recently, the Arts Club received a legacy gift from a longtime supporter who had their legacy gift held in a trust. We are incredibly honoured to have been included in their estate planning and we are confident that this gift will live on for many years through the performances on our stages, the students who come through our education and outreach programs, and through the investment in up-and-coming artists in the community.

While trusts aren't the most popular way to leave a donation for many people, they provide stability while remaining flexible enough to support the people and causes that are most important.

To explore the basics and benefits of trusts, we reached out to Trust and Estate Consultant at BMO Private Wealth, Rhys Webb, TEP. Originally from Jersey, Channel Islands, Rhys now lives in Squamish, BC with his wife. With more than 15 years' experience working in the trust and estate industry across multiple jurisdictions, he is responsible for providing clients and beneficiaries with professional trust and estate services, where the application of technical knowledge and discretionary decision making are key components.

Arts Club Theatre Company (ACTC): Can you explain what a trust is?

Rhys Webb (RW): In simple terms, a trust is a relationship whereby the owner of property (Settlor), gives that property to another person or entity (Trustee), to be held for the benefit of another person or group of people (Beneficiaries).

ACTC: What is the difference between living trusts and testamentary trusts?

RW: A living trust is set up by a Settlor while they are still alive. Whereas a testamentary trust is created after a Settlor has passed away, through instructions in their Will.

ACTC: What can be put in a trust?

RW: Anything! One of the great things about trusts is that they are so flexible. At BMO Trust Company, we have acted as the trustee of trusts holding everything from whiskey collections to agricultural land.

ACTC: Can you describe the type of person that would be a good candidate for a trust?

RW: Setting up a trust isn't going to be for everyone. Legal fees for setting up a trust can be high, so we wouldn't usually recommend a trust being set up with less than \$500,000 of assets. However, there are exceptions to that rule depending on the Settlor's family situation and the purpose of the trust. Asset protection and the passing of wealth to future generations are the purposes for setting up trusts that I see most often.

ACTC: What are the benefits of using a trust in estate planning compared to only outlining your wishes in a will?

RW: The will is just a part of the overall estate plan. Sometimes, a trust will also form part of that estate plan and in some cases, a trust may effectively replace the will. One of the main benefits of having assets in a trust rather than someone's personal name is that the assets held in a trust bypass probate. Probate fees in BC are roughly 1.4% of the overall estate value, so there can be significant savings. The other main benefit of trusts is that they are much harder to challenge than a will. Trusts give peace of mind to Settlers that after they have passed away, their assets will pass to their chosen beneficiaries without delay and with little risk of their wishes being challenged.

ACTC: How does someone go about setting up a trust?

RW: If someone would like to set up a trust, contacting a Trust and Estate Consultant such as myself, or their lawyer would be the first step. From there, a plan can be devised to ensure that the Settlor's intent is reflected in the Trust Deed. This includes having the correct clauses in the Trust Deed and clear communication being given to the Trustee in terms of what the overall purpose of the trust is. Once the Trust Deed has been drafted by the lawyer and reviewed by all parties, the Settlor and Trustee sign the deed and the Trust is formed.

ACTC: As a Trust and Estate Consultant, what is your role in working with people who have set up trusts?

RW: Often in my role, I would be involved from the beginning of the process before the trust has been set up. But there are also situations where I come in after the trust has been set up, sometimes years down the line. Trustees may need advice because circumstances around the trust have changed, or there are complex family dynamics. Many trustees don't realize what a time-consuming job it can be to act in this capacity until they are in the role and need assistance with the day-to-day administration. Helping people is my passion, so whether the trust is in the process of being set up, or has already been formed, I am happy to help.

ACTC: How can trusts be used for charitable giving?

RW: Trusts can be set up for the benefit of a charity or charities. The trustee can be given full discretion over how much should be paid out to the charitable beneficiaries, or the Settlor may choose to have a clause in the Trust Deed that legally binds the trustee to distribute a minimum amount to their chosen beneficiaries from time to time. Charitable trusts are a great way to ensure that your legacy lives on after you have passed away, because the trust can continue to exist and make donations to your chosen charities.

ACTC: Is there anything else you think is worth mentioning for someone who is considering setting up a trust in their planning?

RW: Always consult with a trust professional before setting up a trust. It is not something that should be done without proper thought and understanding. Once the trust has been settled, it may not be easy for the Settlor to get access to those funds again.

There are so many ways to leave a legacy and a trust might be the right solution for you. To learn more about setting up your own trust, please contact:

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For more information about leaving a legacy gift to the Arts Club visit:

<https://artsclub.com/support/legacy-circle>