

# Frequently Asked Questions

## When a Trust is the Owner of a Nassau Re Annuity



NASSAU RE

### **When a trust is the owner, does the Grantor have to be the annuitant?**

No. Nassau Re allows anyone with a logical relationship to the grantor to be the annuitant on a trust owned policy.

### **If the trust is the owner, is a spousal income rider allowed?**

Yes, if the contract is set up as trust owned and two spouses as joint annuitants.

### **Does the trust have to be the named beneficiary when the trust is also owner?**

No. However, there are other restrictions on the beneficiary as there must be a relationship between the beneficiary and the grantor of the trust. If the annuity is issued with a spousal rider, the spouses must be named as primary beneficiaries of the contract.

### **When a trust is the owner, how do I complete the suitability form?**

If a trustee and grantor are the same, the Suitability questionnaire will be completed on this person. If the trustee and grantor are not the same, the Suitability questionnaire will be completed on the trust. Do not include the trustee's personal information.

### **Is there additional paperwork or a copy of the trust needed when opening a trust owned annuity with Nassau Re?**

Generally, we do not require a copy of the trust. We require the Certification of Trust form OL4132 to be submitted with the application. If questions arise concerning the trust ownership, we may ask to review the trust document.

### **What types of trusts does Nassau Re allow?**

Individual revocable or irrevocable trusts are allowed as long as the trust is for the benefit of a natural person or persons. We do not allow corporate owned trusts.

## **BASIC TRUST DEFINITIONS**

---

**Grantor:** The Grantor is the person that sets up the trust. A trust can have more than one Grantor.

**Trustee:** Person or entity responsible for managing, investing, and spending the property owned by the trust for the benefit of the trust beneficiary or beneficiaries. A trustee can be one or more individuals, an institution such as a bank or trust company, or a combination of both. The Grantor can be the Trustee.

**Revocable Trust:** A trust that can be altered, including revoked, by the Grantor. At the death of the Grantor, a Revocable Trust often becomes Irrevocable.

**Irrevocable Trust:** An Irrevocable Trust cannot be modified. An Irrevocable Trust will generally have a separate legal and tax entity from the Grantor.

**Grantor Trust:** A Revocable Trust under which the Grantor retains rights to the assets of the Trust. A Revocable Grantor Trust is not a separate entity for income tax purposes and will have the same tax identification number of the Grantor; as a result, all income of a Grantor Trust is taxed to the Grantor. The Grantor may be the trustee as well as one of the beneficiaries of the Grantor Trust.

**Guideline Principle:** A trust for the benefit of a natural person or persons may be the owner of an annuity. Phoenix only allows a trust to be the owner of an annuity contract when the beneficiary of the trust is a natural person or persons.