

**JAPAN
ELDERLAW
SOCIETY
ONLINE
SYMPOSIUM**

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SNT DOS AND DON'TS

Singapore (since 2008)

- 889 accounts
- annual admin fee post-activation: c¥3,700
- set-up fee: c¥14,000
- scaled fees charged by the Public Trustee based on fund size

Hong Kong (since 2019)

- 8 accounts
- annual admin fee post-activation: c¥300,000
- no set-up fee
- no investment fee
- 4 reputable NGOs available to act as professional carer

A GOOD DEAL FOR WELL-OFF SETTLORS !

SNT DOS AND DON'TS

Hurdles in Hong Kong

High upfront cost on creation of trust account

- Pre-payment of one year's admin fee (¥300,000) and
- One year's expenses as set out in the care plan, or ¥3.7 million, whichever is the higher amount.
- Trustee would only invest pre-payments in savings accounts or fixed-time deposits.

Loss of social-security benefits & loss of property upon divorce

- Fixed, not discretionary trust
- Once trust account created, beneficiary has ownership rights in the trust funds

Loss of say over residual funds

- Settlers not allowed to nominate residuary beneficiaries
- Residual funds fall within the estate of the special needs beneficiary.

SNT DOS AND DON'TS

Facilitative measures in Singapore

Nomination of residual beneficiaries

- Settlers given reasonable options to nominate residuary beneficiary, which may include a charity.

GOAL sponsorship

- pays for the setup fee and purchases insurance plan to provide funds upon activation.
- From 447 accounts in 2017 to 889 in 2022.

EXTRA HELP FOR LOWER-INCOME FAMILIES !

SNT FOR JAPAN?

Prof Kimura's Suggestions for Japan

- **CONFIDENCE:** government-backed non-profit trust company to serve as trustee or bank-operated trusts?
- **COST:** standard trust deed with tailor-made care plans; flexibility in investment options?
- **CARE-GIVING:** the necessity of a trained social worker as case manager.

If I may...

- **TARGET CLIENTELE:** which segment of society to support?
- **PUBLICITY:** success of Singapore

TRUST FOR THE ELDERLY



Issues Raised by Prof Kimura

Adaptation of special needs trust for incapacity planning

- Greater need to respect beneficiary autonomy, eg, allows room for smooth transition to loss of decision-making powers

Prevention of abuse

- Who can be trustee?
- Mandate the appointment of a supervisor for private trustees?
- Restrict settlor-beneficiary's power of modification of trust terms?