

FREQUENTLY ASKED QUESTIONS ABOUT MINORS TRUST

1. What is a minor's trust and why do we need one?

When \$10,000 or more belongs to a minor, that money must be held in a trust account (The Children's Law 2020, Act). It cannot be paid to the minor's parents.

When a First Nation settles a claim and decides to pay some of the settlement funds directly to members (often referred to as a Per Capita Distribution, or PCD), payments of \$10,000 or more owed to a minor must go into a trust.

2. Who controls the minors trust account?

The minors trust account will be controlled by a corporate trustee.

The corporate trustee (typically a large trust corporation) will invest the funds in accordance with the terms of the minor's trust account, and the *Trustee Act* of Saskatchewan.

A corporate trustee will maintain complete records of all transactions affecting the trust property and will prepare an annual report and financial statement documenting payment from the minor's trust.

Chief and Council will have no access to the funds held in the minor's trust.

3. Will interest be paid on the funds held in trust?

Yes, the minors' PCD payments will be invested in low-risk investments which will pay interest.

When the minor member becomes eligible for their PCD payment they will receive their PCD payment plus any accumulated interest.

4. When will a minor get their PCD payment?

The trust agreement will set out when a minors can get their PCD.

Typically, minors will get their PCD payment when they reach the age of 18, or meets the conditions set out in trust agreement (ex. obtaining a grade 12 education or equivalency or turning 21 years of age).

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5. What happens to a Minor's PCD payment if they die before they collect?

Typically, if a minor dies before they are eligible to receive their PCD, the trustee will pay the minor's PCD to the minor member's estate.

Other options include having the minor member's PCD paid to the First Nation or leaving it in the minor's trust account and distributing it among the other minor members.

6. What happens to a Minors PCD payment if they cannot be located?

Typically, the trust is drafted so that if a minor cannot be located within five (5) years from the date on which they became eligible to receive their PCD, that minor will no longer be eligible to receive any payment and the funds shall be placed in another trust account in the settlement trust.

7. What if the minor is currently subject to a Permanent Guardianship Order?

The funds would be held in the minor's trust for the minor until they are eligible to receive the PCD payment.

8. What about members who have Special Needs?

Once an individual reaches the age of 18, they are presumed to have capacity to make decisions on their own.

If a LLRIB member has a legally appointed Guardian, and is entitled to payment of a PCD, the Guardian would facilitate payment to the LLRIB member.