



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4389**

Introduced 02/03/04, by Randall M. Hultgren

**SYNOPSIS AS INTRODUCED:**

760 ILCS 5/4.20

from Ch. 17, par. 1674

Amends the Trusts and Trustees Act. Adds a trust, created prior to the time the distribution becomes payable, for the sole benefit of the beneficiary and those dependent upon the beneficiary to the list to which a trustee may distribute income or amounts of principal in the case of a beneficiary who is unable to manage his affairs or who is under a legal disability. Effective immediately.

LRB093 18305 LCB 44010 b

1 AN ACT concerning trusts.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Trusts and Trustees Act is amended by  
5 changing Section 4.20 as follows:

6 (760 ILCS 5/4.20) (from Ch. 17, par. 1674)

7 Sec. 4.20. To distribute income and ~~discretionary~~ amounts  
8 of principal in such one or more of the following ways as the  
9 trustee believes to be for the best interests of any  
10 beneficiary who at the time of distribution is under legal  
11 disability or in the opinion of the trustee is unable properly  
12 to manage his affairs because of illness, physical or mental  
13 disability or any other cause:

14 (a) directly to the beneficiary;

15 (b) to a duly appointed guardian of the beneficiary;

16 (c) to a custodian for the beneficiary under the Uniform  
17 Transfers to Minors Act;

18 (d) to an adult relative of the beneficiary;

19 (e) by expending the money or using the property directly  
20 for the benefit of the beneficiary; and the trustee is not  
21 required to see to the application of any distribution so made;  
22 ~~and-~~

23 (f) to a trust, created prior to the time the distribution  
24 becomes payable, for the sole benefit of the beneficiary and  
25 those dependent upon the beneficiary during his or her  
26 lifetime, to be administered as a part thereof, except that any  
27 amounts distributed to the trust pursuant to this paragraph (f)  
28 shall be separately accounted for by the trustee of the trust  
29 and shall be indefeasibly vested in the beneficiary so that if  
30 the beneficiary dies prior to complete distribution of such  
31 amounts, the amounts and the accretions, earnings, and income  
32 thereon, if any, shall be paid to the beneficiary's estate;

1 provided, however, that this paragraph (f) shall not apply to  
2 the extent that it would cause a trust otherwise qualifying for  
3 the federal estate tax marital deduction not to so qualify.

4 (Source: P.A. 84-915.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.