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.