



Executive Committee

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LRB095 04908 AJO 36638 a

1 AMENDMENT TO SENATE BILL 531

2 AMENDMENT NO. _____. Amend Senate Bill 531, by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Trusts and Trustees Act is amended by
5 changing Section 4 and adding Section 4.26 as follows:

6 (760 ILCS 5/4) (from Ch. 17, par. 1654)

7 Sec. 4. Powers of Trustee. The trustee has the powers
8 specified in the Sections following this Section and preceding
9 Section 5 ~~4.01 through 4.25.~~

10 (Source: P.A. 88-367.)

11 (760 ILCS 5/4.26 new)

12 Sec. 4.26. Small trust termination. To terminate the trust
13 and distribute the trust estate, including principal and
14 accrued and undistributed income, if the trustee determines, in
15 the trustee's sole discretion with the consent of the

1 recipients, that the market value of a trust is less than
2 \$100,000 and that the costs of continuing the trust will
3 substantially impair accomplishment of the purpose of the
4 trust.

5 Distribution shall be made to the persons then entitled to
6 receive or eligible to have the benefit of the income from the
7 trust in the proportions in which they are entitled thereto, or
8 if their interests are indefinite, to those persons per stirpes
9 if they have a common ancestor, or if not, then in equal
10 shares. The trustee shall give notice to the persons at least
11 30 days prior to the effective date of the termination.

12 If a particular trustee is an income beneficiary of the
13 trust or is legally obligated to an income beneficiary, then
14 that particular trustee may not participate as a trustee in the
15 exercise of this termination power; provided, however, that if
16 the trust has one or more co-trustees who are not so
17 disqualified from participating, the co-trustee or co-trustees
18 may exercise this power.

19 This Section shall not apply to the extent that it would
20 cause a trust otherwise qualifying for a federal or State tax
21 benefit or other benefit not to so qualify, nor shall it apply
22 to trusts for domestic or pet animals.

23 The provisions of this amendatory Act of the 95th General
24 Assembly apply to all trusts created before, on, or after its
25 effective date."