

AN ACT concerning trusts.

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

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

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

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

(a) directly to the beneficiary;

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

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

(d) to an adult relative of the beneficiary;

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

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

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

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

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