

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 and adding Section 4.26 as follows:

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

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

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

(760 ILCS 5/4.26 new)

Sec. 4.26. Small trust termination. To terminate the trust and distribute the trust estate, including principal and accrued and undistributed income, if the trustee determines, in the trustee's sole discretion with the consent of the recipients, that the market value of a trust is less than \$100,000 and that the costs of continuing the trust will substantially impair accomplishment of the purpose of the trust.

Distribution shall be made to the persons then entitled to receive or eligible to have the benefit of the income from the trust in the proportions in which they are entitled thereto, or

if their interests are indefinite, to those persons per stirpes if they have a common ancestor, or if not, then in equal shares. The trustee shall give notice to the persons at least 30 days prior to the effective date of the termination.

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

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

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