

58a-506. Mandatory distribution. (a) As used in this section, "mandatory distribution" means a distribution of income or principal which the trustee is required to make to a beneficiary under the terms of the trust, including a distribution upon termination of the trust. The term excludes a distribution subject to the exercise of the trustee's discretion whether or not the terms of the trust: (1) include a support or other standard to guide the trustee in making distribution decisions; or (2) provide that the trustee "may" or "shall" make discretionary distributions, including distributions pursuant to a support or other standard.

(b) Whether or not a trust contains a spendthrift provision, a creditor or assignee of a beneficiary may reach a mandatory distribution of income or principal, including a distribution upon termination of the trust, if the trustee has not made the distribution to the beneficiary within a reasonable time after the mandated distribution date.

History: L. 2002, ch. 133, § 43; L. 2006, ch. 23, § 9; July 1.