

SENATE No. 742

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia S. Creem

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relating to the payment of interest on pecuniary legacies and pecuniary distributions under a trust instrument.

PETITION OF:

NAME:

Cynthia S. Creem

DISTRICT/ADDRESS:

First Middlesex and Norfolk

SENATE No. 742

By Ms. Creem, a petition (accompanied by bill, Senate, No. 742) of Cynthia S. Creem for legislation to pay interest on pecuniary legacies and pecuniary distributions under a trust instrument. The Judiciary.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 683 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relating to the payment of interest on pecuniary legacies and pecuniary distributions under a trust instrument.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 197 of the General Laws, as appearing in the 2008 Official Edition,
2 is hereby amended by striking out section 20 and inserting in place thereof the following
3 section:-

4 Section 20. The rate of interest upon pecuniary legacies under a will or trust shall be the
5 Federal short term rate (for Annual Period for Compounding purposes) determined by the
6 Secretary of the Treasury in accordance with Section 1274(d) of the Internal Revenue Code, as
7 amended and then in effect, for the month during which interest first becomes payable, rounded
8 to the nearest full percent (or, if a multiple of 1/2 of 1 percent, such rate shall be increased to the
9 next highest full percent). Such rate of interest, once established, shall apply per annum (without

10 compounding) until a pecuniary legacy or pecuniary distribution is paid in full, regardless of any
11 subsequent change in the Federal short-term rate. Unless otherwise provided in the will or trust,
12 interest shall be payable from the date of the expiration of the period within which creditors may
13 bring actions against an executor or administrator as provided in Section 9, or six months from
14 the date upon which the distribution is required by the trust, except in the case of a trust subject
15 to the claims of creditors as provided in Section 9, in which event interest shall be payable from
16 the expiration of the longer of the two periods of time specified in this sentence.

17 SECTION 2. Chapter 190B of the General Laws is hereby amended by striking out
18 section 3-904 and inserting in place thereof the following section:-

19 Section 3-904. The rate of interest upon pecuniary legacies under a will or trust shall be
20 the Federal short term rate (for Annual Period for Compounding purposes) determined by the
21 Secretary of the Treasury in accordance with Section 1274(d) of the Internal Revenue Code, as
22 amended and then in effect, for the month during which interest first becomes payable, rounded
23 to the nearest full percent (or, if a multiple of 1/2 of 1 percent, such rate shall be increased to the
24 next highest full percent). Such rate of interest, once established, shall apply per annum (without
25 compounding) until a pecuniary legacy or pecuniary distribution is paid in full, regardless of any
26 subsequent change in the Federal short-term rate. Unless otherwise provided in the will or trust,
27 interest shall be payable from the date of the expiration of the period within which creditors may
28 bring actions against an executor or administrator as provided in Section 9, or six months from
29 the date upon which the distribution is required by the trust, except in the case of a trust subject
30 to the claims of creditors as provided in Section 9, in which event interest shall be payable from
31 the expiration of the longer of the two periods of time specified in this sentence.

32 SECTION 3. The provisions of this act shall apply to estates of persons dying on or after
33 the effective date of this act.