S T A T E  O F  N E W  Y O R K

4952

2013-2014 Regular Sessions

I N  S E N A T E

May 1, 2013

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the estates, powers and trusts law, in relation to the payment of interest on delayed legacies; and to repeal paragraphs (d) and (e) of section 11-1.5 of the estates, powers and trusts law and subdivision 7 of section 2102 of the surrogate's court procedure act relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraphs (d) and (e) of section 11-1.5 of the estates, powers and trusts law are REPEALED.

S 2. Paragraph 3 of section 11-A-2.1 of the estates, powers and trusts law, as added by chapter 243 of the laws of 2001, is amended to read as follows:

(3) [A] UNLESS OTHERWISE PROVIDED BY THE TERMS OF THE WILL OR TRUST, COMMENCING (A) SEVEN MONTHS FROM EITHER THE DATE OF DEATH OR OTHER DATE A BENEFICIARY IS TO RECEIVE A PECUNIARY AMOUNT OUTRIGHT IF LETTERS ARE NOT REQUIRED, OR (B) SEVEN MONTHS FROM THE TIME LETTERS, INCLUDING PRELIMINARY OR TEMPORARY LETTERS, ARE GRANTED IF LETTERS ARE REQUIRED, A fiduciary shall distribute INCOME to a beneficiary who receives a pecuniary amount outright [the interest or any other amount provided by the will, the terms of the trust, or applicable law], from net income determined under paragraph (2) or from principal to the extent that net income is insufficient[. If a beneficiary is to receive a pecuniary amount outright from a trust after an income interest ends and no interest or other amount is provided for by the terms of the trust or applicable law, the fiduciary shall distribute the interest or other amount to which the beneficiary would be entitled under applicable law if the pecuniary amount were required to be paid under a will], OF AN AMOUNT EQUAL TO THE PECUNIARY AMOUNT MULTIPLIED BY AN INCOME FACTOR, WHICH SHALL BE SET (OR RESET) ON THE FIRST BUSINESS DAY OF EACH CALENDAR YEAR

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD03692-01-3

AND FIXED FOR THAT CALENDAR YEAR AT THE TARGET FEDERAL FUNDS RATE AS ANNOUNCED BY THE FEDERAL RESERVE BOARD (OR IN THE EVENT THE TARGET FEDERAL FUNDS RATE IS A RANGE OF RATES, THE HIGH OF THAT RANGE) LESS ONE PERCENT, BUT IN NO EVENT LESS THAN ONE-HALF OF ONE PERCENT.

S 3. Subdivision 7 of section 2102 of the surrogate's court procedure act is REPEALED.

S 4. This act shall take effect on the sixtieth day after it shall have become a law and shall apply to the estates of decedents who shall have died on or after such date.