

SENATE No. 832

By Mr. Creedon, a petition (accompanied by bill, Senate, No. 832) of Robert S. Creedon, Jr., for legislation relative to the payment of interest on pecuniary legacies and pecuniary distributions under trust instruments. The Judiciary.

The Commonwealth of Massachusetts

In the Year Two Thousand and One.

**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
2 the 1998 Official Edition, is hereby amended by striking out
3 section 20 and inserting in place thereof the following new
4 section:—

5 Section 20. The rate of interest upon pecuniary legacies under
6 a will or pecuniary distributions under a trust, unless otherwise
7 provided in the will or trust, shall be the Federal short-term rate
8 (for Annual Period for Compounding purposes) determined by
9 the Secretary of the Treasury in accordance with Section 1274(d)
10 of the Internal Revenue Code, as amended and then in effect, for
11 the month during which interest first becomes payable, rounded
12 to the nearest full percent (or, if a multiple of ½ of 1 percent,
13 such rate shall be increased to the next highest full percent). Such
14 rate of interest, once established, shall apply per annum (without
15 compounding) until a pecuniary legacy or pecuniary distribution
16 is paid in full, regardless of any subsequent change in the Federal
17 short-term rate. Unless otherwise provided in the will or trust,
18 interest shall be payable from the date of the expiration of the
19 period within which creditors may bring actions against an

20 executor or administrator as provided in Section nine, or six
21 months from the date upon which the distribution is required by
22 the trust, except in the case of a trust subject to the claims of cred-
23 itors as provided in Section nine, in which event interest shall be
24 payable from the expiration of the longer of the two periods of
25 time specified in this sentence.

1 SECTION 2. The provisions of this act shall apply to estates of
2 persons dying on or after the effective date of this amendment.