

386B.5-050 Overdue distribution.

- (1) 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 on termination of the trust. The term shall not include a distribution subject to the exercise of the trustee's discretion even if:
 - (a) The discretion is expressed in the form of a standard of distribution; or
 - (b) The terms of the trust authorizing a distribution couple language of discretion with language of direction.
- (2) 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 on termination of the trust, if the trustee has not made the distribution to the beneficiary within a reasonable time after the designated distribution date.

Effective: July 15, 2014

History: Created 2014 Ky. Acts ch. 25, sec. 44, effective July 15, 2014.