

SENATE NO. 836

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 is hereby amended by striking out section 20 and
2 inserting in place thereof the following section:-

3 Section 20. The rate of interest upon pecuniary legacies under a will or trust shall be the Federal short
4 term rate (for Annual Period for Compounding purposes) determined by the Secretary of the Treasury
5 in accordance with Section 1274(d) of the Internal Revenue Code, as amended and then in effect, for
6 the month during which interest first becomes payable, rounded to the nearest full percent (or, if a
7 multiple of 1/2 of 1 percent, such rate shall be increased to the next highest full percent). Such rate of
8 interest, once established, shall apply per annum (without compounding) until a pecuniary legacy or
9 pecuniary distribution is paid in full, regardless of any subsequent change in the Federal short-term
10 rate. Unless otherwise provided in the will or trust, interest shall be payable from the date of the
11 expiration of the period within which creditors may bring actions against an executor or administrator
12 as provided in Section 9, or six months from the date upon which the distribution is required by the
13 trust, except in the case of a trust subject to the claims of creditors as provided in Section 9, in which

14 event interest shall be payable from the expiration of the longer of the two periods of time specified in
15 this sentence.

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