

# HOUSE . . . . . No. 1564

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## The Commonwealth of Massachusetts

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

14 to the claims of creditors as provided in Section 9, in which event interest shall be payable from  
15 the expiration of the longer of the two periods of time specified in this sentence.

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