

March 20, 2003

S 470. COMPENSATION OF TRUSTEES/OTHER FIDUCIARIES. TO MODERNIZE THE LAW AFFECTING THE COMPENSATION OF TRUSTEES AND OTHER FIDUCIARIES. Repeals Article 5 of Chapter 32 and enacts new Article 5A entitled, "Compensation of Trustees and Other Fiduciaries." Provides that where the terms of a trust do not specify trustee's compensation, the trustee is entitled to compensation that is "reasonable under the circumstances." Lists factors to be used in determining reasonableness. Also provides for reimbursement of expenses incurred and establishes procedures for notice and judicial review of compensation and other payments. Makes similar provision for compensation of fiduciaries. Effective Jan. 1, 2004, and applies to payments made to a fiduciary after that date, including compensation earned or paid after enactment with respect to trusts and fiduciary relationships created on or after that date, and with respect to all trusts and fiduciary relationships existing on that date.

Intro. by Hartsell.

Ref. to Judiciary II	GS 32, 32A, 36A
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April 14, 2003

S 470. COMPENSATION OF TRUSTEES/OTHER FIDUCIARIES. Intro. 3/20/03. Senate committee substitute makes the following changes to 1st edition. Makes technical changes only.

June 30, 2004

S 470. COMPENSATION OF TRUSTEES/OTHER FIDUCIARIES. Intro. 3/20/03. House committee substitute makes the following changes to 2nd edition. Modifies the proposed provisions for compensating trustees in following major ways: (1) Does not require clerk's approval for paying compensation to trustee only if (a) annual amount of compensation does not exceed 4/10 of 1% of trust assets or (b) no beneficiary (as defined in act) has initiated a proceeding for review of compensation within 20 days of notice of compensation provided by trustee. Second edition permitted payment of reasonable compensation without clerk's approval. (2) Requires trustee to provide notice of compensation to beneficiaries only if annual amount thereof exceeds 4/10 of 1% of trust assets; permits trustee to provide permanent notice, in lieu of above notice, if notice sets out amount of trustee compensation or method for computing compensation. Second edition required annual notice of amount of compensation. Sets out permissible mechanisms for giving notice. (3) Permits judicial review of compensation, in action initiated by trustee or by beneficiary, pursuant to GS Chapter 36A, Art. 3. Permits beneficiary to initiate such action even if 20-day period referred to above has expired. Deletes provision in second edition that presumed compensation was reasonable if no action brought within 1 year from notice to beneficiary. (4) Makes act applicable to payments made to fiduciary after Jan. 1, 2005, regardless of when trust or fiduciary relationship established. Second edition was effective Jan. 1, 2004.

August 6, 2004

SL 2004-139 (S 470). COMPENSATION OF TRUSTEES/OTHER FIDUCIARIES. AN ACT TO MODERNIZE THE LAW AFFECTING THE COMPENSATION OF TRUSTEES AND OTHER FIDUCIARIES. Summarized in *Daily Bulletin* 3/20/03, 4/14/03, and 6/30/04. Enacted July 29, 2004. Effective January 1, 2005.