NEW ILLINOIS TRUST CODE TO TAKE EFFECT
JAN. 1, 2020

On July 12, 2019, Illinois Gov. J.B. Pritzker signed House Bill HB1471, which enacts the Illinois Trust Code (ITC) and repeals many of Illinois’ current trust statutes. The ITC will be effective as of Jan. 1, 2020.

The ITC generally conforms with the Uniform Trust Code (UTC), a comprehensive codification of the common law on trusts, as drafted, published and recommended by the National Conference of Commissioners on Uniform State Laws. The UTC is designed as a template to establish uniform trust laws among states, including, but not limited to, the creation, validity and modification of trusts, rights of certain parties with respect to beneficial interests and creditors, trust administration, trusteeship and trustee powers.

With the adoption of the ITC, Illinois becomes the 34th state to adopt a version of the UTC, leaving Iowa, Indiana, Oklahoma and South Dakota as the only Midwestern states that have not adopted a version of the UTC. Missouri adopted its own version of the UTC in 2005.

We are evaluating the ITC to determine its application to existing trusts and examining the differences between the ITC and Illinois’ current trust laws. We will publish our analysis and thoughts in upcoming editions of this blog, so please stay tuned. If you have a trust governed by Illinois law, please contact a member of our Trusts & Estates group to review how the new ITC will impact your estate plan.