

JAN 27 2010

S.B. NO. 2878

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## A BILL FOR AN ACT

RELATING TO TRUSTEES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 607-18, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§607-18 Fees and expenses of trustees.** (a) Upon all  
4 moneys and other property received in the nature of revenue or  
5 income of the estate, such as rents, interest, dividends, and  
6 general profits, trustees, except trustees of a charitable  
7 trust, shall be allowed as commissions payable out of the income  
8 received during each year, seven per cent for the first \$5,000  
9 and five per cent for all over \$5,000 the commissions to be  
10 payable as and when the income is received, but not more often  
11 than once a year.

12           (b) Upon the principal of the estate, trustees shall be  
13 allowed as commissions one per cent on the value at the  
14 inception of the trust payable at the inception out of the  
15 principal, one per cent on the value of all or any part of the  
16 estate upon final distribution payable at the termination out of  
17 the principal, and two and one-half per cent upon all cash  
18 principal received after the inception of the trust and neither



1 being nor representing principal upon which the two and one-half  
2 per cent has previously at any time been charged, payable at the  
3 receipt out of the principal, and two and one-half per cent upon  
4 the final payment of any cash principal prior to the termination  
5 of the trust, payable at the final payment out of the principal,  
6 and in addition thereto five-tenths of one per cent on the value  
7 at the expiration of each year during the continuance of the  
8 trust payable annually out of the principal; provided that such  
9 five-tenths of one per cent on the principal shall not apply to  
10 charitable trusts, nor to the extent the trustee has employed  
11 others to perform bookkeeping and clerical services at the  
12 expense of the estate as permitted by the trust document or as  
13 provided in section 554A-3.

14 (c) Such further allowances may be made as the court deems  
15 just and reasonable for services performed in connection with  
16 sales or leases of real estate, contested or litigated claims  
17 against the estate, the adjustment and payment of extensive or  
18 complicated estate or inheritance taxes, the preparation of  
19 estate and income tax returns, the carrying on of the decedent's  
20 business pursuant to an order of court or under the provisions  
21 of any will, litigation in regard to the property of the estate,  
22 and such other special services as may be necessary for the



1 trustee to perform, prosecute, or defend. All contracts between  
2 a trustee and a beneficiary other than the creator of the trust,  
3 for higher compensation than is allowed in this section shall be  
4 void.

5 (d) This section shall apply as well to future accounting  
6 in existing estates as to new estates.

7 (e) Where an instrument governing a revocable living trust  
8 that is subject to the laws of this State provides for the  
9 trustee to receive reasonable compensation for services, an  
10 individual or corporate trustee appointed pursuant to that  
11 instrument may rely on this section to ascertain the  
12 reasonableness of compensation."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

R. D. J. K.  
by request



**Report Title:**

Trustees; Revocable living trusts

**Description:**

Authorizes trustees of revocable living trusts to base their reasonable compensation on the compensation levels allowed for trustees of estates.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

