

MTC QUIZ

How much do you know about the new Michigan Trust Code? Test your knowledge on what's changing with the new MTC and how it will affect your practice.

1. Are Trust Protectors always fiduciaries?

2. How do the standards of capacity to make a will and a revocable trust differ?

3. Are you required to register your trust?

4. A trustee is allowed to terminate a trust, with appropriate notice to qualified trust beneficiaries, as long as the trust property in it is valued at less than:
 - A. \$50,000
 - B. \$75,000
 - C. \$100,000

5. Which part of the MTC cannot be modified by the settler during the drafting of the trust instrument?

6. Will you need to change your drafted forms as a result of passage of the MTC?

1. Yes. (MCL 700.7809) 2. They don't. (MCL 700.7601) 3. No. (MCL 700.7209) 4. \$50,000. (MCL 700.7414) 5. Much of Part 9, having to do with the liability of trustees and beneficiaries' rights on a breach of trust. 6. Yes. Because the MTC is primarily a set of default rules and because these rules will apply to all trusts, even those drafted before the effective date of the MTC, attorneys need to know what those rules are and whether they need to change their documents to draft around these rules. Some areas to be looked at are provisions concerning exculpation, trustee removal, co-trustees, accounting, trustee powers, and discretionary, support, and spendthrift trusts. In addition, because several sections of the MTC address who agents under DPOAs can act on behalf of the settlor (sections 7405, 7602, and 7603), drafted DPOAs need to be reviewed with this interaction in mind. For more information, see *A Closer Look at the Michigan Trust Code: What's New - What's In - What's Next?*, by Mark K. Harder, available in the Winter 2009 edition of the *Probate and Estate Planning Journal*.



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