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Estate Planning Update: New Arizona Trust Code Changes Communication Requirements for Trustees

By Rita A. Eisenfeld

Arizona has adopted a new Arizona Trust Code ("ATC") that takes effect January 1, 2009. This new code contains many significant changes to the laws governing Arizona trusts.

One of the significant changes is that the ATC now requires trustees of **irrevocable trusts** to provide various notices and reports to beneficiaries of the trust in certain specific situations. With respect to **revocable** trusts, the trustee's duties to inform and report are owed only to the creators of the trust, known as the trustors or trustor, and not to any other beneficiaries. In many cases, the trustors or trustor will be the co-trustees or trustee of the trust, so no notice need be given.

Prior to the adoption of the ATC, a trustee had the general duty to keep the beneficiaries of the trust reasonably informed, a duty to inform the current income beneficiaries of his or her acceptance of the trusteeship, and the duty to respond to the request of a beneficiary for certain information. The new expanded notice and reporting requirements apply to all trusts in existence on January 1, 2009, and to all trusts created on or after that date.

For more information, please contact your Fennemore Craig estate planning attorney or Ms. Rita Eisenfeld at 602.916.5467.

Rita A. Eisenfeld focuses her practice primarily in the area of estate planning, including the formation and structuring of various estate, gift, and generation-skipping transfer tax vehicles to achieve desired tax planning objectives. She earned her B.A. (1963) from Rutgers University and her J.D. (1981) from Arizona State University.



Rita A. Eisenfeld
Director
602.916.5467
reisenfeld@fclaw.com

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