

633A.2203 Termination of irrevocable trust or modification of dispositive provisions of irrevocable trust by court.

1. An irrevocable trust may be terminated or its dispositive provisions modified by the court with the consent of all of the beneficiaries if continuance of the trust on the same or different terms is not necessary to carry out a material purpose.

2. Upon termination of the trust, the court shall order the distribution of trust property in accordance with the probable intention of the settlor.

3. For purposes of this section, the consent of a person who may bind a beneficiary is considered the consent of the beneficiary.

4. For the purposes of this section, removal of the trustee or the addition of a provision to the trust instrument allowing a beneficiary or a group of beneficiaries to remove the trustee or to appoint a new trustee shall not be allowed as a modification under this section. This subsection shall not operate to limit the scope of dispositive provisions for the purposes of this section.

5. A spendthrift provision, or a provision giving the trustee discretion to distribute income or principal to a beneficiary or among beneficiaries, in the terms of the trust is presumed to constitute a material purpose of the trust.

99 Acts, ch 125, §17, 109; 2000 Acts, ch 1150, §10

C2001, §633.2203

2005 Acts, ch 38, §54

CS2005, §633A.2203

2009 Acts, ch 52, §9, 14; 2012 Acts, ch 1123, §15, 32

Referred to in §633A.2201, 633A.6301, 633A.6308

[SP] 2009 amendment to this section applies to all proceedings to modify dispositive provisions of or to terminate an irrevocable trust on or after July 1, 2009; 2009 Acts, ch 52, §14

[SP] Subsection 5 applies to trusts in existence on or after July 1, 2012; 2012 Acts, ch 1123, §32