

**UNIFORM PRINCIPAL AND INCOME ACT (EXCERPT)**  
**Act 159 of 2004**

**555.503 Duties of fiduciary; allocation of receipts and disbursements to or between principal and income; discretionary power; impartiality.**

Sec. 103.

(1) In allocating receipts and disbursements to or between principal and income, and with respect to any matter found within the scope of articles 2 and 3, a fiduciary shall do all of the following:

(a) Administer a trust or estate in accordance with the terms of the trust or the will, even if there is a different provision in this act.

(b) Administer a trust or estate in accordance with this act if the terms of the trust or the will do not contain a different provision or do not give the fiduciary a discretionary power of administration.

(c) Add a receipt or charge a disbursement to principal to the extent that the terms of the trust and this act do not provide a rule for allocating the receipt or disbursement to or between principal and income.

(2) A fiduciary may administer a trust or estate by the exercise of a discretionary power of administration given to the fiduciary by the terms of the trust or the will, even if the exercise of the power produces a result different from a result required or permitted under this act.

(3) In exercising the power to adjust under section 104 or a discretionary power of administration regarding a matter within the scope of this act, whether granted by the terms of a trust or a will, or as provided in this act, a fiduciary shall administer a trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor 1 or more of the beneficiaries. A determination in accordance with this act is presumed to be fair and reasonable to all of the beneficiaries.

**History:** 2004, Act 159, Eff. Sept. 1, 2004