

(1) THE AMOUNT OF THE ALLOCATION WOULD INCREASE OR DECREASE NET INCOME IN AN ACCOUNTING PERIOD, AS DETERMINED BEFORE THE ALLOCATION, BY LESS THAN 10 PERCENT; OR

(2) THE VALUE OF THE ASSET PRODUCING THE RECEIPT FOR WHICH THE ALLOCATION WOULD BE MADE IS LESS THAN 10 PERCENT OF THE TOTAL VALUE OF THE TRUST'S ASSETS AT THE BEGINNING OF THE ACCOUNTING PERIOD.

15-516. DEFERRED COMPENSATION, ANNUITIES, AND SIMILAR PAYMENTS.

(A) (1) IN THIS SECTION, "PAYMENT" MEANS A PAYMENT THAT A TRUSTEE MAY RECEIVE OVER A FIXED NUMBER OF YEARS OR DURING THE LIFE OF ONE OR MORE INDIVIDUALS BECAUSE OF SERVICES RENDERED OR PROPERTY TRANSFERRED TO THE PAYER IN EXCHANGE FOR FUTURE PAYMENTS.

(2) "PAYMENT" INCLUDES A PAYMENT MADE IN MONEY OR PROPERTY FROM THE PAYER'S GENERAL ASSETS OR FROM A SEPARATE FUND CREATED BY THE PAYER, INCLUDING A PRIVATE OR COMMERCIAL ANNUITY, AN INDIVIDUAL RETIREMENT ACCOUNT, AND A PENSION, PROFIT-SHARING, STOCK-BONUS, OR STOCK-OWNERSHIP PLAN.

(B) TO THE EXTENT THAT A PAYMENT IS CHARACTERIZED AS INTEREST OR A DIVIDEND OR A PAYMENT MADE IN LIEU OF INTEREST OR A DIVIDEND, A TRUSTEE SHALL ALLOCATE IT TO INCOME. THE TRUSTEE SHALL ALLOCATE TO PRINCIPAL THE BALANCE OF THE PAYMENT AND ANY OTHER PAYMENT RECEIVED IN THE SAME ACCOUNTING PERIOD THAT IS NOT CHARACTERIZED AS INTEREST, A DIVIDEND, OR AN EQUIVALENT PAYMENT.

(C) IF NO PART OF A PAYMENT IS CHARACTERIZED AS INTEREST, A DIVIDEND, OR AN EQUIVALENT PAYMENT, AND ALL OR PART OF THE PAYMENT IS REQUIRED TO BE MADE, A TRUSTEE SHALL ALLOCATE TO INCOME 10 PERCENT OF THE PART THAT IS REQUIRED TO BE MADE DURING THE ACCOUNTING PERIOD AND THE BALANCE TO PRINCIPAL. IF NO PART OF A PAYMENT IS REQUIRED TO BE MADE OR THE PAYMENT RECEIVED IS THE ENTIRE AMOUNT TO WHICH THE TRUSTEE IS ENTITLED, THE TRUSTEE SHALL ALLOCATE THE ENTIRE PAYMENT TO PRINCIPAL. FOR PURPOSES OF THIS SUBSECTION, A PAYMENT IS NOT "REQUIRED TO BE MADE" TO THE EXTENT THAT IT IS MADE BECAUSE THE TRUSTEE EXERCISES A RIGHT OF WITHDRAWAL.

(D) IF, TO OBTAIN AN ESTATE TAX MARITAL DEDUCTION FOR A TRUST, A TRUSTEE MUST ALLOCATE MORE OF A PAYMENT TO INCOME THAN PROVIDED FOR BY THIS SECTION, THE TRUSTEE SHALL ALLOCATE TO INCOME THE ADDITIONAL AMOUNT NECESSARY TO OBTAIN THE MARITAL DEDUCTION.

(E) THIS SECTION DOES NOT APPLY TO PAYMENTS TO WHICH § 15-517 OF THIS SUBTITLE APPLIES.

15-517. LIQUIDATING ASSET.

(A) (1) IN THIS SECTION, "LIQUIDATING ASSET" MEANS AN ASSET WHOSE VALUE WILL DIMINISH OR TERMINATE BECAUSE THE ASSET IS EXPECTED TO PRODUCE RECEIPTS FOR A PERIOD OF LIMITED DURATION.