700.1049.new Power or capacity of trust beneficiary to transfer income; attachment; assignment; claim or action against trustee; disclaiming interest in trust.

Sec. 9. (1) A trust beneficiary does not have the power or capacity to transfer any of the income from a trust or portion of a trust that is a qualified disposition by his or her order, voluntary or involuntary, or by an order or direction of a court.

(2) Except as otherwise provided in this act, the interest of a beneficiary in a trust or portion of a trust that is a qualified disposition is not subject to a process of attachment issued against the beneficiary, and may not be taken in execution under any form of legal process directed against the beneficiary, trustee, trust estate, or any part of the income of the trust estate, but the whole of the trust estate and the income of the trust estate must go to and be applied by the trustee solely for the benefit of the beneficiary, free, clear, and discharged of and from all obligations of the beneficiary.

(3) The trustee of a qualified disposition shall disregard and oppose an assignment or other act, voluntary or involuntary, that is attempted contrary to this section. The trustee is entitled to reimbursement for all attorney fees, costs, and expenses associated with carrying out this duty, and the amount of the attorney fees, costs, and expenses is a lien against the property that is the subject of the qualified disposition. A trustee is not liable, and a trust beneficiary or any successor trust beneficiary does not have a claim or cause of action against a trustee, for a breach of this duty unless the trustee's breach was in bad faith or the result of reckless indifference to the purposes of the trust or the interests of the trust beneficiaries.

(4) This section does not prohibit a beneficiary from disclaiming an interest in a trust or portion of a trust that is a qualified disposition or from exercising a power of appointment.