

## An Ascertainable Standard Exception for Beneficiary-Controlled Trusts

### ***TAX NOTES***

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In this report, Andy Howlett explains the implications of ongoing uncertainty about whether section 678 applies to beneficiary-controlled trusts in which the beneficiary's ability to compel distributions to himself is limited by an ascertainable standard (*e.g.*, for his health, education, maintenance, and support). Whether those trusts are subject to section 678 is not clear, although, as explained in this report, the author believes the better view is that they are, although as a policy matter they should not be.