

1970

c 5 Accumulations Act

Ontario

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CHAPTER 5

The Accumulations Act

1.—(1) No disposition of any real or personal property shall direct the income thereof to be wholly or partially accumulated for any longer than one of the following terms: Maximum accumulation periods

1. The life of the grantor.
2. Twenty-one years from the date of making an *inter vivos* disposition.
3. The duration of the minority or respective minorities of any person or persons living or *en ventre sa mere* at the date of making an *inter vivos* disposition.
4. Twenty-one years from the death of the grantor, settlor or testator.
5. The duration of the minority or respective minorities of any person or persons living or *en ventre sa mere* at the death of the grantor, settlor or testator.
6. The duration of the minority or respective minorities of any person or persons who, under the instrument directing the accumulations, would, for the time being, if of full age, be entitled to the income directed to be accumulated.

(2) The restrictions imposed by subsection 1 apply in relation to a power to accumulate income whether or not there is a duty to exercise that power, and such restrictions also apply whether or not the power to accumulate extends to income produced by the investment of income previously accumulated. 1966, c. 2, s. 1 (1), *part.* Application of subs. 1 restrictions

(3) The restrictions imposed by subsection 1 apply to every disposition of real or personal property, whether made before or after its enactment. 1966, c. 2, s. 1 (1), *part, amended.* Idem

(4) Nothing in subsection 1 affects,

- (a) the validity of any act done; or
- (b) any right acquired or obligation incurred,

under this Act before the 6th day of September, 1966. 1966, c. 2, s. 1 (2), *amended.* Previous acts, etc., not affected

Accumulations for the purchase of land

Application of invalid accumulations

(5) No accumulation for the purchase of land shall be directed for any longer period than that mentioned in subsection 1.

(6) Where an accumulation is directed contrary to this Act, such direction is null and void, and the rents, issues, profits and produce of the property so directed to be accumulated shall, so long as they are directed to be accumulated contrary to this Act, go to and be received by such person as would have been entitled thereto if such accumulation had not been so directed. R.S.O. 1960, c. 4, s. 1 (2, 3).

Saving as to debts or portions for children

2. Nothing in this Act extends to any provision for payment of debts of a grantor, settlor, devisor or other person, or to any provision for raising portions for a child of a grantor, settlor or devisor, or for a child of a person taking an interest under any such conveyance, settlement or devise, or to any direction touching the produce of timber or wood upon any lands or tenements, but all such provisions and directions may be made and given as if this Act had not been passed. R.S.O. 1960, c. 4, s. 2.

Rules as to accumulations not applicable to employee benefit trusts

3. The rules of law and statutory enactments relating to accumulations do not apply and shall be deemed never to have applied to the trusts of a plan, trust or fund established for the purpose of providing pensions, retirement allowances, annuities, or sickness, death or other benefits to employees or to their widows, dependants or other beneficiaries. 1966, c. 2, s. 2.
