

Indian Succession Act, 1925

Chapter 20 - Of Bequests of Annuities

Where an annuity is created by Will, the legatee is entitled to receive it for his life only, unless a contrary intention appears by the Will, notwithstanding that the annuity is directed to be paid out of the property generally, or that a sum of money is bequeathed to be invested in the purchase of it.

Illustrations

- (i) A bequeaths to B 500 rupees a year. B is entitled during his life to receive the annual sum of 500 rupees.
 - (ii) A bequeaths to B the sum of 500 rupees monthly. B is entitled during his life to receive the sum of 500 rupees every month.
 - (iii) A bequeaths an annuity of 500 rupees to B for life, and on B's death to C. B is entitled to an annuity of 500 rupees during his life. C, if he survives B, is entitled to an annuity of 500 rupees from B's death until his own death.
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Section 174 - Period of vesting where Will directs that annuity be provided out of proceeds of property, or out of property generally, or where money bequeathed to be invested in purchase of annuity

Where the Will directs that an annuity shall be provided for any person out of the proceeds of property, or out of property generally, or where money is bequeathed to be invested in the purchase of any annuity for any person, on the testator's death, the legacy vests in interest in the legatee, and he is entitled at his option to have an annuity purchased for him or to receive the money appropriated for that purpose by the Will.

Illustrations

- (i) A by his Will directs that his executors shall, out of his property, purchase an annuity of 1,000 rupees for B. B is entitled at his option to have an annuity of 1,000 rupees for his life purchased for him or to receive such a sum as Will be sufficient for the purchase of such an annuity.
 - (ii) A bequeaths a fund to B for his life, and directs that after B's death, it shall be laid out in the purchase of an annuity for C. B and C survive the testator. C dies in B's lifetime. On B's death the fund belongs to the representative of C.
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Section 175 - Abatement of annuity

Where an annuity is bequeathed, but the assets of the testator are not sufficient to pay all the legacies given by the Will, the annuity shall abate in the same proportion as the other pecuniary legacies given by the Will.

Section 176 - Where gift of annuity and residuary gift, whole annuity to be first satisfied

Where there is a gift of an annuity and a residuary gift, the whole of the annuity is to be satisfied before any part of the residue of paid to the residuary legatee, and, if necessary, the capital of the testator's estate shall be applied for that purpose.
