

AN ACT concerning financial regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Trust and Payable on Death Accounts Act is amended by changing Sections 2, 3, and 4 and by adding Sections 10 and 15 as follows:

(205 ILCS 625/2) (from Ch. 17, par. 2132)

Sec. 2. Definitions. As used in this Act, the following words have the meanings ascribed to them as set forth herein:

(a) "Institution" includes any bank as defined in Section 2 of the Illinois Banking Act, any association as defined in Section 1-10.03 of the Illinois Savings and Loan Act, any insured savings bank as defined in Section 1007.75 of the Savings Bank Act, or any credit union as defined in Section 1.1 of the Illinois Credit Union Act, and similar federal institutions.

(b) "Account" includes any account, deposit, certificate of deposit, withdrawable capital account or credit union share in any institution.

(c) "Beneficiary" includes a natural person who is living, a trust, a corporation, a charitable organization, or any other entity that maintains a lawful existence under the state or federal authority pursuant to which it was organized.

(Source: P.A. 92-285, eff. 1-1-02.)

(205 ILCS 625/3) (from Ch. 17, par. 2133)

Sec. 3. Trust Account Incidents. If one or more persons opening or holding an account sign an agreement with the institution providing that the account shall be held in the name of a person or persons designated as trustee or trustees for one or more ~~persons~~ designated ~~as a beneficiary or~~ beneficiaries, the account and any balance therein which exists from time to time shall be held as a trust account and unless otherwise agreed in writing between the person or persons opening or holding the account and the institution:

(a) If two or more persons are designated trustees of the account, as between them they shall hold the account and all balances therein which exist from time to time as joint tenants with right of survivorship and not as tenants in common;

(b) Any trustee during his or her lifetime may change any of the designated beneficiaries without the knowledge or consent of the other trustees or the beneficiaries by a written instrument accepted by the institution;

(c) Any trustee may make additional deposits to and withdraw any part or all of the account at any time without the knowledge or consent of the other trustees or the beneficiaries, subject to the bylaws and regulations of the institution, and all withdrawals shall constitute a revocation of the agreement as to the amount withdrawn; and

(d) Upon the death of the last surviving trustee the ~~person~~ designated ~~as the~~ beneficiary (i) who is then living, if the beneficiary is a natural person, or (ii) that maintains a lawful existence under the state or federal authority pursuant to which it was organized, if the beneficiary is not a natural person, shall be the sole holder of the account, unless more than one beneficiary is named and then living or in existence, in which case said beneficiaries shall hold the account in equal shares as tenants in common. If no beneficiary is then living or in existence, the proceeds shall vest in the estate of the last surviving trustee.

(Source: P.A. 84-461.)

(205 ILCS 625/4) (from Ch. 17, par. 2134)

Sec. 4. Payable on Death Account Incidents. If one or more persons opening or holding an account sign an agreement with the institution providing that on the death of the last surviving person designated as holder the account shall be paid to or held by one or more designated beneficiaries ~~another person or persons,~~ the account, and any balance therein which exists from time to time, shall be held as a payment on death account and unless otherwise agreed in writing between the person or persons opening or holding the account and the institution:

(a) Any holder during his or her lifetime may change any of the designated beneficiaries ~~persons~~ to own the account at the

death of the last surviving holder without the knowledge or consent of any other holder or the designated beneficiaries ~~persons~~ by a written instrument accepted by the institution;

(b) Any holder may make additional deposits to and withdraw any part or all of the account at any time without the knowledge or consent of any other holder or the designated beneficiaries ~~person or persons~~ to own the account at the death of the last surviving holder, subject to the bylaws and regulations of the institution, and all withdrawals shall constitute a revocation of the agreement as to the amount withdrawn; and

(c) Upon the death of the last surviving holder of the account, the beneficiary ~~person~~ ~~se~~ designated to be the owner of the account (i) who is then living, if the beneficiary is a natural person, or (ii) that maintains a lawful existence under the state or federal authority pursuant to which it was organized, if the beneficiary is not a natural person, shall be the sole owner of the account, unless more than one beneficiary ~~person~~ is so designated and then living or in existence, in which case those beneficiaries ~~persons~~ shall hold the account in equal shares as tenants in common with no right of survivorship as between those beneficiaries ~~persons~~. If no beneficiary ~~person~~ designated as the owner of the account on the death of the last surviving holder is then living or in existence, the proceeds shall vest in the estate of the last surviving holder of the account.

(Source: P.A. 92-285, eff. 1-1-02.)

(205 ILCS 625/10 new)

Sec. 10. Distribution by institution. Upon the death of the last surviving trustee or holder of the account, the institution that maintains the account shall distribute the proceeds to the beneficiary or beneficiaries designated in the agreement controlling the account without further liability. No institution, however, shall be required to distribute the account proceeds until the institution receives (i) legal evidence of death of all trustees or holders of the account, (ii) identification from each beneficiary then living, or business records evidencing the lawful existence and parties authorized to collect on behalf of each beneficiary not a natural person, and (iii) written direction from each beneficiary to close the account and distribute the proceeds in a form acceptable to the institution. If the institution, in its discretion, is unable to identify one or more beneficiaries, or cannot determine the lawful existence of any beneficiary, or cannot determine a party authorized to collect on behalf of any beneficiary, or if conflicting claims to the account are made by the beneficiaries or other interested parties, then the institution may refuse to distribute the proceeds, without liability to any beneficiary or other party, until the institution receives a determination of ownership by a court of appropriate jurisdiction.

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(205 ILCS 625/15 new)

Sec. 15. Application of amendments. Section 10 and the other changes to this Act made by this amendatory Act of the 96th General Assembly apply to all accounts subject to this Act regardless of the date of execution of the agreement controlling the account.

Section 99. Effective date. This Act takes effect upon becoming law.