

1 AN ACT concerning financial regulation.

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

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

7 (205 ILCS 625/2) (from Ch. 17, par. 2132)

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

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

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

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

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

2 (205 ILCS 625/3) (from Ch. 17, par. 2133)

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

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

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

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

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

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

13 (205 ILCS 625/4) (from Ch. 17, par. 2134)

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

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

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

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

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

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

2 (205 ILCS 625/10 new)

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

1 (205 ILCS 625/15 new)

2 Sec. 15. Application of amendments. Section 10 and the
3 other changes to this Act made by this amendatory Act of the
4 96th General Assembly apply to all accounts subject to this Act
5 regardless of the date of execution of the agreement
6 controlling the account.

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