BENEFICIARY ACCOUNTS IN CREDIT UNIONS
Act 31 of 1992

AN ACT to provide for beneficiary accounts in credit unions; to allow for the passage of title to the named beneficiary; and to prescribe the powers and duties of the credit union.

History: 1992, Act 31, Imd. Eff. Apr. 17, 1992.

The People of the State of Michigan enact:

490.81 Definitions.

Sec. 1. As used in this act:

(a) "Beneficiary" means a person who does not have an ownership interest in a beneficiary account but is the person designated to receive the funds in the beneficiary account upon the death of the owner of the account.

(b) "Beneficiary account" means a share or deposit account in a credit union where 1 or more persons are designated as owners and 1 or more other persons are designated as beneficiaries. A beneficiary account is not a trust or trustee for beneficiary account.

(c) "Credit union" means a state or federal chartered credit union.

(d) "Owner" means the person or persons designated as the owner in the documents establishing a credit union beneficiary account.

(e) "Person" means an individual, corporation, partnership, association, governmental entity, or any other legal entity.

History: 1992, Act 31, Imd. Eff. Apr. 17, 1992.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

490.82 Credit union beneficiary account; rights of owners to money in account; passage of ownership rights to beneficiaries.

Sec. 2. (1) During the lifetime of 1 or more owners of a credit union beneficiary account, all rights to the money in the account belong to the owners. The rights of the owners, if there is more than 1, shall be governed by the contract between them and the credit union establishing the account, and by any applicable law pertaining to accounts with more than 1 owner other than section 7 of Act No. 41 of the Public Acts of 1968, being section 490.57 of the Michigan Compiled Laws.

(2) Upon the death of the owner of a credit union beneficiary account or upon the death of the last surviving owner of a credit union beneficiary account if there was more than 1 owner, all ownership interests in the account shall pass to the person or persons designated as beneficiaries.

(3) If no person designated as beneficiary of a credit union beneficiary account is living at the time of the death of the owner, the account shall be probated as part of the owner's estate. If there is more than 1 person designated as owner and no beneficiary is living at the time of the death of the last surviving owner, the account shall be probated as part of the last surviving owner's estate.

(4) If more than 1 person designated as beneficiary is living at the time of the death of the owner, or at the time of the death of the last surviving owner if there was more than 1 designated owner, the account shall be divided equally among the beneficiaries still living at that time. There shall be no rights of joint ownership among living beneficiaries and each shall only be entitled to his or her equal share.

(5) The passage of ownership rights to any account covered by this act is not subject to change by will.

History: 1992, Act 31, Imd. Eff. Apr. 17, 1992.

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490.83 Applicability of act.

Sec. 3. This act shall apply to all credit union beneficiary accounts where at least 1 owner was still alive on the effective date of this act.

History: 1992, Act 31, Imd. Eff. Apr. 17, 1992.

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