PODS, TODs, & Other Beneficiary Designations

Date of Program:_________________ Group Name:______________ Number of participants:______________

“Attention” Getters

- Describe and ask: Joe lists his wife as the beneficiary of his $100,000 life insurance policy. Joe later names his son as the devisee (beneficiary) in his will. Who gets the $100,000?
  - Answer: Joe’s son will not receive the life insurance proceeds because the contractual agreement has precedence over a person’s written will.

Talking Points

- **Pay on death (POD) designation** is the naming of a beneficiary to receive an account balance on a party’s death (checking, savings, CD).
- **Transfers on Death (TOD) registration** allows the owner of securities to register the title in transfer on death (TOD) form. Mutual fund shares and accounts maintained by brokers and others to reflect a customer’s holdings of securities are also covered (stocks, bonds, mutual funds).
- **Probate is not required** for contractual property to be transferred to the beneficiaries. The court-appointed personal representative has no power or duty to administer nonprobate property. In other words, the contractual arrangement determines priority for distribution of the property.
- While a joint tenancy with right of survivorship title on real (e.g. land, house) and personal property (e.g. checking and savings accounts) is not technically a beneficiary designation, if one joint tenant passes away, the surviving joint tenant(s) automatically receive all. Joint tenancy property does not have to go through a court administered probate process.

Handouts for Participants

- [Nonprobate Transfers](mailto:orderpubs@montana.edu) (MT199509HR) (order from Extension Publications at orderpubs@montana.edu or call 406-994-3273.)
- [Designating Beneficiaries through Contractual Arrangements](mailto:orderpubs@montana.edu) (MT199901HR) (order from Extension Publications at orderpubs@montana.edu or call 406-994-3273.)

Evaluation Quickie

- How many of you plan to use a POD, TOD, or other beneficiary designation?
  - Number ______________________ Percent __________________________
- How many of you plan to share the MontGuide with others?
  - Number ______________________ Percent __________________________