

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1143 Session of  
1975

INTRODUCED BY FRAME, REIBMAN, AMMERMAN, HAGER, HILL AND O'PAKE,  
OCTOBER 16, 1975

REFERRED TO JUDICIARY, OCTOBER 16, 1975

AN ACT

1 Amending Title 20 (Decedents, Estates and Fiduciaries) of the  
2 Pennsylvania Consolidated Statutes, adding provisions  
3 relating to multiple-party accounts.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Title 20, act of November 25, 1970 (P.L.707,  
7 No.230), known as the Pennsylvania Consolidated Statutes, added  
8 June 30, 1972 (P.L.508, No.164), is amended by adding a chapter  
9 to read:

10 CHAPTER 63

11 MULTIPLE-PARTY ACCOUNTS

12 Sec.

13 6301. Definitions.

14 6302. Applicability of chapter.

15 6303. Ownership during lifetime.

16 6304. Right of survivorship.

17 6305. Form of account.

18 6306. Accounts and transfers nontestamentary.

1 § 6301. Definitions.

2 The following words and phrases, when used in this chapter  
3 shall have, unless the context clearly indicates otherwise, the  
4 meanings given to them in this section:

5 "Account" means a contract of deposit of funds between a  
6 depositor and a financial institution, and includes a checking  
7 account, savings account, certificate of deposit, share account  
8 and other like arrangements.

9 "Beneficiary" means a person named in a trust account as one  
10 for whom a party to the account is named as trustee.

11 "Financial institution" means any organization authorized to  
12 do business under State or Federal laws relating to financial  
13 institutions, including, without limitation, banks and trust  
14 companies, savings banks, building and loan associations,  
15 savings and loan companies or associations, and credit unions.

16 "Joint account" means an account payable on request to one or  
17 more of two or more parties whether or not mention is made of  
18 any right of survivorship.

19 "Multiple-party account" is either a joint account or a trust  
20 account. It does not include accounts established for deposit  
21 of funds of a partnership, joint venture, or other association  
22 for business purposes, or accounts controlled by one or more  
23 persons as the duly authorized agent or trustee for a  
24 corporation, unincorporated association, charitable or civic  
25 organization or a regular fiduciary or trust account where the  
26 relationship is established other than by deposit agreement.

27 "Net contribution" of a party to a joint account as of any  
28 given time is the sum of all deposits thereto made by or for  
29 him, less all withdrawals made by or for him which have not been  
30 paid to or applied to the use of any other party, plus a pro

1 rata share of any interest or dividends included in the current  
2 balance. The term includes, in addition, any proceeds of life  
3 insurance added to the account by reason of the death of the  
4 party whose net contribution is in question.

5 "Party" means a person who, by the terms of the account, has  
6 a present right, subject to request, to payment from a multiple-  
7 party account. A beneficiary of a trust account is a party only  
8 after the account becomes payable to him by reason of his  
9 surviving the original trustee. Unless the context otherwise  
10 requires, it includes a guardian, personal representative,  
11 assignee, or attaching creditor, of a party. It also includes a  
12 person identified as a trustee of an account for another whether  
13 or not a beneficiary is named, but it does not include any named  
14 beneficiary unless he has a present right of withdrawal.

15 "Payment" of a sum on deposit includes withdrawal, payment on  
16 check or other directive of a party, any pledge of a sum on  
17 deposit by a party, and any set-off or reduction or other  
18 disposition of all or part of an account pursuant to a pledge.

19 "Request" means a proper request for withdrawal, or a check  
20 or order for payment, which complies with all conditions of the  
21 account, including special requirements concerning necessary  
22 signatures and regulations of the financial institution; but if  
23 the financial institution conditions withdrawal or payment on  
24 advance notice, for purposes of this chapter the request for  
25 withdrawal or payment is treated as immediately effective and a  
26 notice of intent to withdraw is treated as a request for  
27 withdrawal.

28 "Sum on deposit" means the balance payable on a multiple-  
29 party account including interest, dividends, and in addition any  
30 life insurance proceeds added to the account by reason of the

1 death of a party.

2 "Trust account" means an account in the name of one or more  
3 parties as trustee for one or more beneficiaries where the  
4 relationship is established by the form of the account and the  
5 deposit agreement with the financial institution and there is no  
6 subject of the trust other than the sum on deposit in the  
7 account; it is not essential that payment to the beneficiary be  
8 mentioned in the deposit agreement. A trust account does not  
9 include a regular trust account under a testamentary trust or a  
10 trust agreement which has significance apart from the account,  
11 or a fiduciary account arising from a fiduciary relation such as  
12 attorney-client.

13 "Withdrawal" includes payment to a third person pursuant to  
14 check or other directive of a party.

15 § 6302. Applicability of chapter.

16 The provisions of this chapter are applicable solely to the  
17 determination of property rights among parties to multiple-party  
18 accounts and all claims made through them but do not apply to  
19 and do not affect financial institutions or their rights and  
20 liabilities with respect to multiple-party accounts, which shall  
21 be determined exclusively by applicable law other than this  
22 chapter. No right or claim against a financial institution may  
23 be based on this chapter. Nothing in this chapter shall affect  
24 the taxability of transfers under the act of June 15, 1961  
25 (P.L.373, No.207), known as the Inheritance and Estate Tax Act  
26 of 1961.

27 § 6303. Ownership during lifetime.

28 (a) Joint account.--A joint account belongs, during the  
29 lifetime of all parties, to the parties in proportion to the net  
30 contributions by each to the sum on deposit, unless there is

1 clear and convincing evidence of a different intent.

2 (b) Trust account.--Unless a contrary intent is manifested  
3 by the terms of the account or the deposit agreement or there is  
4 other clear and convincing evidence of an irrevocable trust, a  
5 trust account belongs beneficially to the trustee during his  
6 lifetime, and if two or more parties are named as trustees of  
7 the account during their lifetimes beneficial rights as between  
8 them are governed by subsection (a) of this section. If there is  
9 an irrevocable trust, the account belongs beneficially to the  
10 beneficiary.

11 § 6304. Right of survivorship.

12 (a) Joint account.--Any sum remaining on deposit at the  
13 death of a party to a joint account belongs to the surviving  
14 party or parties as against the estate of the decedent unless  
15 there is clear and convincing evidence of a different intent at  
16 the time the account is created. If there are two or more  
17 surviving parties, their respective ownerships during lifetime  
18 shall be in proportion to their previous ownership interests  
19 under section 6303 of this code (relating to ownership during  
20 lifetime) augmented by an equal per capita share for each  
21 survivor of any interest the decedent may have owned in the  
22 account immediately before his death; and the right of  
23 survivorship continues between the surviving parties.

24 (b) Trust account.--At the death of the trustee or the  
25 survivor of two or more trustees, any sum remaining on deposit  
26 belongs to the person or persons named as beneficiaries, if  
27 surviving, or to the survivor or survivors of them if one or  
28 more die before the trustee or last surviving trustee, unless  
29 there is clear and convincing evidence of a contrary intent; if  
30 two or more beneficiaries survive, there is no right of

1 survivorship in event of death of any beneficiary thereafter  
2 unless the terms of the account or deposit agreement expressly  
3 provide for survivorship between them.

4 (c) Other cases.--In other cases, the death of any party to  
5 a multiple-party account has no effect on beneficial ownership  
6 of the account other than that the rights of the decedent become  
7 part of his estate.

8 (d) Change by will prohibited.--A right of survivorship  
9 arising from the express terms of an account or under this  
10 section, or a beneficiary designation in a trust account cannot  
11 be changed by will.

12 § 6305. Form of account.

13 The applicability of the provisions of section 6304 of this  
14 code (relating to right of survivorship) is determined by the  
15 form of the account at the death of a party.

16 § 6306. Accounts and transfers nontestamentary.

17 No transfer resulting from the application of section 6304 of  
18 this code (relating to right of survivorship) shall be  
19 considered as testamentary or subject to Chapter 21 of this code  
20 (relating to intestate succession) or Chapter 25 of this code  
21 (relating to wills).

22 Section 2. This act shall take effect September 1, 1976 and  
23 apply to any account created thereafter and to any account  
24 existing prior thereto when a contract of deposit concerning it  
25 is executed after September 1, 1976.