

17-2263. Contracts for payment of shareholders' accounts to beneficiaries upon shareholders' deaths; rights of shareholder during lifetime; change of beneficiary. Subject to the provisions of this section and K.S.A. 17-2264, and amendments thereto, an individual adult or minor, hereafter referred to as the shareholder, may enter into a written contract with any credit union located in this state providing that the balance of the shareholder's account, or the balance of the shareholder's legal share of an account, at the time of death of the shareholder shall be made payable on the death of the shareholder to one or more persons or, if the persons predecease the owner, to another person or persons, hereafter referred to as the beneficiary or beneficiaries. If any beneficiary is a minor at the time the account, or any portion of the account, becomes payable to the beneficiary and the balance, or portion of the balance, exceeds the amount specified by K.S.A. 59-3053, and amendments thereto, the moneys shall be payable only to a conservator of the minor beneficiary.

Transfers pursuant to this section shall not be considered testamentary or be invalidated due to nonconformity with the provisions of chapter 59 of the Kansas Statutes Annotated.

Every contract authorized by this section shall be considered to contain a right on the part of the shareholder during the shareholder's lifetime both to withdraw funds on deposit in the account in the manner provided in the contract, in whole or in part, as though no beneficiary has been named, and to change the designation of beneficiary. The interest of the beneficiary shall be considered not to vest until the death of the shareholder and, if there is a claim pursuant to subsection (g) of K.S.A. 39-709, and amendments thereto, until such claim is satisfied.

No change in the designation of the beneficiary shall be valid unless executed in the form and manner prescribed by the credit union and delivered to the credit union prior to the death of the shareholder.

For the purposes of this section, the balance of the shareholder's account or the balance of the shareholder's legal share of an account shall not be construed to include any portion of the account which under the law of joint tenancy is the property of another joint tenant of the account upon the death of the owner.

As used in this section, "person" means any individual, individual or corporate fiduciary or nonprofit religious or charitable organization as defined by K.S.A. 79-4701, and amendments thereto.

History: L. 1979, ch. 177, § 5; L. 1980, ch. 166, § 3; L. 1982, ch. 104, § 2; L. 1984, ch. 51, § 3; L. 1992, ch. 150, § 3; L. 2002, ch. 114, § 49; July 1.