

1 A. Share and deposit account proceeds that are payable to a
2 beneficiary upon the death of the account owner shall be offered
3 pursuant to the following provisions:

4 1. When shares are owned or a deposit has been made or shall
5 hereafter be made in any credit union using the terms "Payable on
6 Death" or "P.O.D.", such deposits shall be payable on the death of
7 the account owner to one or more designated P.O.D. beneficiaries, or
8 to an individual or individuals named beneficiary if living and if
9 not living, to the ~~named~~ estate of the ~~beneficiary~~ deceased account
10 holder, notwithstanding any provision to the contrary contained in
11 Sections 41 through 57 of Title 84 of the Oklahoma Statutes. Each
12 designated P.O.D. beneficiary shall be a trust, an individual, or a
13 nonprofit organization exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c)(3);

16 2. A share or deposit account with a P.O.D. designation shall
17 constitute a contract between the account owner, (or owners, if
18 ~~there is more than one)~~ and the credit union that upon the death of
19 the last surviving owner of the account, and after payment of
20 account proceeds to any secured party with a valid security interest
21 in the account, the credit union will hold the funds for or pay the
22 ~~funds~~ them to the named primary beneficiary or beneficiaries, if
23 living. If ~~any named~~ a primary beneficiary is not living
24 predeceases the account owner, the share of that primary beneficiary

1 shall ~~instead be held for or paid to the estate of that deceased~~
2 ~~beneficiary unless contingent beneficiaries have been designated by~~
3 ~~the account owner as allowed by paragraph 4 of this subsection~~ be
4 distributed pursuant to either paragraph 4, 5, or 8 of this
5 subsection, whichever is applicable;

6 3. Each P.O.D. beneficiary designated on ~~an~~ a share or deposit
7 account shall be a primary beneficiary unless specifically
8 designated as a contingent beneficiary;

9 4. If there is only one primary P.O.D. beneficiary on ~~an~~ a
10 share or deposit account and that beneficiary is an individual, the
11 account owner may designate one or more contingent beneficiaries for
12 whom the funds shall be held or to whom the funds shall be paid if
13 the primary beneficiary is not living when the last surviving owner
14 of the account dies. If there is more than one primary P.O.D.
15 beneficiary on ~~an~~ a share or deposit account, contingent
16 beneficiaries shall not be allowed on that account;

17 5. If the ~~only~~ sole primary P.O.D. beneficiary is not living
18 and one or more contingent beneficiaries have been designated as
19 allowed by paragraph 4 of this subsection, the funds shall be held
20 for or paid to the contingent beneficiaries who are alive at the
21 time of the account owner's death in equal shares, and shall not
22 belong to the estate of the deceased primary beneficiary or the
23 estate of the deceased account holder. If neither the ~~only~~ primary
24 beneficiary ~~is not living, and a~~ nor any contingent beneficiary ~~or~~

1 ~~contingent beneficiaries have been designated as allowed by~~
2 ~~paragraph 4 of this subsection, but one or more designated~~
3 ~~contingent beneficiaries are also not living, the share that~~
4 ~~otherwise would belong to any deceased contingent beneficiary~~ is
5 living at the time of the account owner's death, the funds shall
6 ~~instead be held for or paid to the estate of that deceased~~
7 ~~contingent beneficiary~~ account owner's estate;

8 6. In order to designate multiple primary P.O.D. beneficiaries
9 for ~~an~~ a share or deposit account, the account should be styled as
10 follows: "(Name of Account Owner), payable on death (or P.O.D.) to
11 (Name of Beneficiary), (Name of Beneficiary), and (Name of
12 Beneficiary), in equal shares).";

13 7. If only one primary P.O.D. beneficiary has been designated
14 on ~~an~~ a share or deposit account, the account owner may add the
15 following, or words of similar meaning, in the style of the account
16 or in the account agreement: "If the designated P.O.D. beneficiary
17 is deceased, then payable on the death of the account owner to (Name
18 of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary),
19 as contingent beneficiaries, in equal shares.";

20 8. Adjustments may be made in the styling, depending upon the
21 number of owners of the account, to allow for survivorship rights,
22 and the number of beneficiaries. It is to be understood that each
23 beneficiary is entitled to a proportionate share of the account
24 proceeds only after the death of the last surviving account owner,

1 and after payment of account proceeds to any secured party with a
2 valid security interest in the account. ~~In the event of the death~~
3 ~~of a beneficiary prior to the death of the account owner, the share~~
4 ~~of that beneficiary shall go to the estate of that beneficiary~~
5 ~~unless one or more contingent beneficiaries have been designated to~~
6 ~~take the place of that beneficiary as provided in paragraph 4 of~~
7 ~~this subsection.~~ All designated primary P.O.D. beneficiaries shall
8 have equal shares. All designated contingent P.O.D. beneficiaries
9 shall have equal shares as if the sole primary beneficiary is
10 deceased. In the event of the death of a beneficiary prior to the
11 death of the account owner, the share of that beneficiary shall be
12 divided among any surviving beneficiaries or distributed to
13 contingent beneficiaries pursuant to paragraphs 4 and 5 of this
14 subsection, if applicable. If no beneficiaries are alive at the
15 time of the account owner's death, the funds shall be held for, or
16 paid to, the estate of the deceased account owner;

17 9. A credit union may require the owner of an account to
18 provide an address for any primary or contingent P.O.D. beneficiary.
19 If the P.O.D. account is an interest-bearing account and the funds
20 are not claimed by the P.O.D. beneficiary or beneficiaries within
21 sixty (60) days after the death of the last surviving account
22 holder, or after the credit union has notice of the death of the
23 last surviving account holder, whichever is later, the credit union
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1 has the right to convert the account to a non-interest-bearing
2 account;

3 10. No change in the designation of a named beneficiary shall
4 be valid unless executed by the owner of the fund and in the form
5 and manner prescribed by the credit union; however, this section
6 shall be subject to the provisions of Section 178 of Title 15 of the
7 Oklahoma Statutes. Until the death of the member or owner, the
8 member or owner shall possess and may exercise all rights,
9 respecting the shares or deposits, including the power to vote,
10 pledge, withdraw, in whole or in part, make additions to, and to in
11 any way deal with the shares or deposit. The receipt or acquittance
12 of the member or owner shall be a valid and sufficient release and
13 discharge of the credit union as to any payment to the member or
14 owner; and

15 11. The receipt or acquittance of the named beneficiary so
16 paid, or of the legal representative of ~~such named beneficiary's~~ the
17 account owner's estate, ~~if in the event~~ the beneficiary is deceased
18 ~~and there is no contingent beneficiary designated to take the place~~
19 ~~of that beneficiary~~ predeceased the account owner, shall be valid
20 and sufficient release and discharge to the credit union for any
21 payment so made; ~~and~~

22 ~~12. After January 1, 2008~~ Subsequent to the effective date of
23 this act, a credit union shall provide a ~~customer~~ member creating a
24 P.O.D. account with a written notice that the distribution of the

1 proceeds in the P.O.D. account shall be consistent with the
2 provisions of this section.

3 B. The provisions of this section shall apply to all forms of
4 deposit accounts including, but not limited to, share accounts,
5 transaction accounts, savings accounts, certificates of deposits,
6 negotiable order of withdrawal (N.O.W.) accounts, and M.M.D.A.
7 accounts.

8 SECTION 2. This act shall become effective November 1, 2025.

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10 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
11 03/04/2025 - DO PASS, As Coauthored.

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