

No. 260

AN ACT

SB 1293

Amending the act of April 24, 1947 (P.L.100), entitled "An act relating to the incidents of legal and equitable interests in real and personal property, including the validity thereof, the powers, rights, and duties of persons with respect thereto, and the disposition of interests which fail, and containing provisions concerning termination of trusts, releases and disclaimers of powers and interests, perpetuities, accumulations, charitable estates, rights of a surviving spouse in property as to which the decedent has retained certain powers, spendthrift trusts, limited estates in property, rules of interpretation, estates pur autre vie, estates in fee tail, and the Rule in Shelley's Case," clarifying the status of designations of beneficiaries of annuity or endowment contracts and employe benefit plans.

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

Section 1. Section 8, act of April 24, 1947 (P.L.100), known as the "Estates Act of 1947," added July 11, 1957 (P.L.792), is amended to read:

Section 8. Designation of **[Insurance]** Beneficiaries of *Insurance or Employe Death Benefits* Not Testamentary.—The designation of beneficiaries of life insurance, *annuity or endowment contracts, or of any agreement entered into by an insurance company in connection therewith, supplemental thereto or in settlement thereof, and the designation of beneficiaries of benefits payable upon or after the death of a participant under any pension, bonus, profit sharing, retirement annuity, or other employe benefit plan*, shall not be considered testamentary *and shall not be subject to any law governing the transfer of property by will. This section shall apply* regardless of whether the insurance contract *or the employe benefit plan* designates the ultimate beneficiaries or makes the proceeds payable, directly or indirectly, to a trustee of a trust under a will or under a separate trust instrument which designates the ultimate beneficiaries, and regardless of whether any such trust is amendable or revocable, or both, or is funded or unfunded, and notwithstanding a reservation to the settlor of all rights of ownership in the insurance contracts *or under the employe benefit plans*. Unless otherwise expressly provided in the conveyance, funds or other property so passing to a trust under a will shall become and be a part of the testamentary trust to be administered and disposed of in accordance with the provisions thereof, without forming any part of the testator's estate for administration by his personal representative. *The provisions of this section relating to the designation of beneficiaries of benefits payable under employe benefit plans shall apply to designations made prior or subsequent to January 1, 1970, by persons who die on or after said date, and shall not be deemed to create any implication of invalidity of any such designation made by any person who dies before said date.*

Section 2. This act shall take effect immediately.

APPROVED—The 27th day of November, A. D. 1970.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 260.

A handwritten signature in cursive script, appearing to read "Joseph P. Kelly". The signature is written in black ink and is positioned above the printed name of the Secretary of the Commonwealth.

Secretary of the Commonwealth.