



FINANCIAL GROUP, L. L. C.

# Transfer on Death Registration

## What is Transfer on Death Registration?

Transfer on death (TOD) registration allows you to pass your assets to your beneficiaries upon your death without going through probate. Probate can be a very lengthy and expensive legal process, and it also makes your assets public information. TOD registration avoids this expense and publicity, and ensures that your assets are distributed as you intend. A TOD can be set up for a variety of assets, including securities, homes, and bank accounts. (Banks often use the term payable on death [POD] registration.)

## What are the benefits of TOD Registration?

Registering a security, home, or bank account as TOD or POD allows you to decide how your assets should be divided upon your death. It does not give your beneficiaries access to the assets while you are alive. You maintain full control of your assets and can continue to use them as you choose. You can buy or sell any of the assets or close any of the accounts without your beneficiaries becoming involved. You may change beneficiaries on a TOD account at any time, and you can also decide whether your beneficiaries should be notified of your choice. Upon your death, your assets will be transferred directly to your named beneficiaries without the delay or expense of probate. The beneficiary must simply provide a death certificate and proof of their own identity.

## How can I register for TOD or POD?

Registering for TOD or POD is an easy process, but it is slightly different for each type of asset:

- Creating a TOD for your investment accounts requires the completion of a TOD registration form with the help of your financial advisor. There is generally no cost to complete this process.

- Setting up a TOD for your home requires an accurate legal description of the property and the tax parcel ID number. This information can be found on your home's deed or in your closing paperwork. Your attorney or financial advisor assists in the creation of the deed for you, which must then be filed with the Register of Deeds in your county. Advisors generally charge between \$75 and \$150 for document preparation and there are various filing fees at the Register of Deeds (Fond du Lac County charges \$13).
- To create a POD for your bank accounts, your bank can provide a form for you to complete. The bank then maintains a record of the beneficiaries on your accounts. There is generally no cost to create a POD.

## Are there restrictions on my choice of beneficiary?

Yes, there may be restrictions. If you are single, you are essentially free to choose whomever you like. If you are married, however, your spouse will probably inherit most of your assets. Wisconsin, for example, is a community property state, which means that most of the assets acquired during your marriage belong to your spouse after your death. If you wish to choose someone other than your spouse as your beneficiary, your spouse must sign a form acknowledging your choice. Exceptions to this community property law can include gifts made exclusively to you or assets purchased directly by you with separate funds. There are other exceptions as well, which your financial advisor or estate planning professional can discuss with you. Whether you are single or married, it is recommended that you also choose a contingent (secondary) beneficiary.

*This information is provided as a public service, and should not be construed as individual accounting or tax planning advice. For information on how these general principals apply to your situation, please consult an accounting or tax professional.*

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