

**STATUTORY JOINT ACCOUNT ACT**  
**Act 53 of 1978**

AN ACT to define the rights and obligations of parties and financial institutions in connection with funds on deposit therein in which 2 or more persons have an interest by way of right of withdrawal or ownership.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

*The People of the State of Michigan enact:*

**487.711 Short title.**

Sec. 1. This act shall be known and may be cited as the “statutory joint account act”.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

**487.712 Meanings of words and phrases.**

Sec. 2. For the purposes of this act, the words and phrases defined in sections 3 and 4 have the meaning ascribed to them in those sections.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

**487.713 Definitions.**

Sec. 3. (a) “Deposits” means funds on deposit in a financial institution, including interest.

(b) “Joint account” means a deposit in a financial institution in which 2 or more persons have an interest, either by way of ownership or right of withdrawal.

(c) “Statutory joint account” means a joint account as to which a statutory joint account contract, as provided in this act, has been signed by a person having a right of withdrawal on the account.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

**487.714 Additional definitions.**

Sec. 4. (a) “Financial institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.

(b) “Person” means an individual, corporation, partnership, association, governmental entity, or any other legal entity.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978;—Am. 1997, Act 35, Imd. Eff. June 30, 1997.

**487.715 Statutory joint account; creation; signing contract; form of contract; acknowledging receipt of contract; adding additional parties; modifying form of contract.**

Sec. 5. One or more persons may create a statutory joint account by signing a statutory joint account contract with a financial institution that is agreeable to the contract with indicated insertions in form substantially as follows:

FORM OF STATUTORY JOINT ACCOUNT CONTRACT

1. Name of financial institution:
2. Nature of Account:  
Check \_\_\_\_\_ Savings Account;  
\_\_\_\_\_ Commercial Account;  
\_\_\_\_\_ Certificate of Deposit;  
\_\_\_\_\_ Other Credits (describe):
3. Name and address of person designated as A:
4. Name and address of person designated as B:
5. Who may withdraw funds during lifetime of A and B:  
Check \_\_\_\_\_ A; \_\_\_\_\_ B; \_\_\_\_\_ Either A or B;  
\_\_\_\_\_ Signatures of both A and B.
6. Who may revoke this contract by written notice to the

financial institution:

Check \_\_\_\_\_ A; \_\_\_\_\_ B; \_\_\_\_\_ Either A or B;

\_\_\_\_\_ Signatures of both A and B. In the event of revocation, the right to withdraw funds shall be determined by designation of ownership in item 7.

7. Who owns the funds during the lifetime of A and B:  
Check \_\_\_\_\_ A; \_\_\_\_\_ B; \_\_\_\_\_ Equally by A and B;  
Other proportions (describe): \_\_\_\_\_
8. Who owns the funds and has the right to withdraw if A dies first:  
Check \_\_\_\_\_ B; \_\_\_\_\_ A's estate; \_\_\_\_\_ Equally by B and A's estate;  
Other proportions (describe): \_\_\_\_\_.
9. Who owns the funds and has the right to withdraw if B dies first:  
Check \_\_\_\_\_ A; \_\_\_\_\_ B's estate; \_\_\_\_\_ Equally by A and B's estate;  
Other proportions (describe): \_\_\_\_\_.
10. If A and B should die simultaneously without proof of who survives, which provision shall control:  
Check \_\_\_\_\_ Item 8 above; \_\_\_\_\_ Item 9 above.
11. Signature of persons having right of withdrawal: \_\_\_\_\_.
12. Date of signature: \_\_\_\_\_.

Note: (1) Each person who signs this contract shall receive a copy of this contract and their signature shall constitute acknowledgement of receipt.

(2) When more than 2 persons are involved, additional parties may be added by designation of "C", etc. and the form of this contract shall be modified to conform therewith.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

#### **487.716 Nature and effect of statutory joint accounts; failure to answer question in contract.**

Sec. 6. The creation of a statutory joint account is a contract as to ownership of the deposits and is effective pursuant to its terms without regard to requirements of testamentary dispositions. The rights of persons in joint accounts which are not statutory joint accounts are not affected by this act. The failure to answer a question in a statutory joint account contract shall not invalidate the contract, but it shall be enforceable pursuant to its terms as to the questions answered and pursuant to the common law as to any unanswered question or ambiguities, with the purpose of effectuating the intent of the parties.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

#### **487.717 Withdrawals of funds; liability of financial institution; deposits subject to setoff.**

Sec. 7. (1) Financial institutions shall honor withdrawals of funds pursuant to the withdrawal provisions of the statutory joint account contract. In so doing, they shall be relieved of liability to persons having a claim to ownership of the funds. A financial institution shall not be chargeable with changes in rights of withdrawal due to death or incompetency in absence of actual knowledge thereof.

(2) Deposits in statutory joint accounts shall be subject to setoff for obligations to the financial institution by persons designated in the statutory joint account contract as owners of the funds to the extent of the ownership at the date of setoff.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

#### **487.718 Deposits subject to rights of creditors; laws applicable to transfers in fraud of creditors; claims against insolvent estate of deceased owner of statutory joint account.**

Sec. 8. Deposits in a statutory joint account shall be subject to the rights of creditors of the persons designated in the statutory joint account contract as owners of the funds to the extent of the ownership, except that the funds shall remain subject to laws applicable to transfers in fraud of creditors. If in his or her lifetime,

a deceased person was an owner of a statutory joint account, the estate, in event of its insolvency, may recover from the surviving owner so much of the deposits as were owned by the deceased person immediately before the deceased person's death to the extent required to satisfy claims against the estate.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

**487.719 Payment of widow's allowance or allowance for dependent children upon death of person owning deposits in statutory joint account.**

Sec. 9. Upon the death of a person who in his or her lifetime owned the deposits in a statutory joint account, to the extent of the decedent's ownership immediately before his or her death, the rights of the owners of the deposits after the death shall be subject to the right of recovery by the estate of the deceased person to the extent that the assets of the estate are insufficient for the payment of the widow's allowance or allowance for dependent children ordered by a court of competent jurisdiction; or in an intestate estate or where the widow exercised her right to take against the will, the assets of the estate are insufficient for the payment of the widow's share of the estate if the deposits were included as part of the estate.

**History:** 1978, Act 53, Imd. Eff. Mar. 9, 1978.

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