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## **Transfer on Death Security Registration Act**

Governor Pataki recently signed into law the Transfer-On-Death Security Registration Act, which is found in Chapter 325 of the Laws of 2005. This law, which became effective on January 1, 2006, permits residents of New York State to register their securities in “transfer-on-death” form. This will allow owners of securities to designate one or more beneficiaries who will receive the owner's securities when the owner passes away. Much like beneficiaries of life insurance and retirement accounts, beneficiaries of transfer-on-death security accounts will be able to receive the securities almost immediately when the owner passes away and proof of the owner's death is presented.

When an individual passes away owning securities that are not registered in transfer-on-death form, the securities can only be transferred to the appropriate beneficiaries of the owner's estate after the owner's will has been probated (or, if the owner did not have a will, after an administrator in intestacy has been appointed by the Surrogate's Court). The process of probating a will (or obtaining the appointment of an administrator in intestacy) can sometimes be costly and time-consuming. A transfer-on-death registration of securities which eliminates the need to probate a will (or obtain the appointment of an administrator in intestacy) in order to transfer the securities to the beneficiaries will thus both expedite a beneficiary's receipt of securities upon the owner's death, and minimize the expense of administering the owner's estate.

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