

CHAPTER ~~8.1~~ 26.

UNIFORM DISCLAIMER OF PROPERTY INTERESTS ACT.

**Drafting note: Existing Chapter 8.1 has been relocated to proposed Subtitle V due to its applicability to both probate and nonprobate transfers.**

**Existing Chapter 8.1 is based on the Uniform Disclaimer of Property Interests Act promulgated by the National Conference of Commissioners on Uniform State Laws in 1999 as both a stand-alone act and a part of the Uniform Probate Code. Virginia enacted the Act in 2003. There is little variation between the language of the Act as promulgated and as adopted in Virginia.**

§ ~~64.1-196.1~~ 64.2-2600. Definitions.

~~As used in~~ As used in this chapter:

"Disclaimant" means the person to whom a disclaimed interest or power would have passed had the disclaimer not been made.

"Disclaimed interest" means the interest that would have passed to the disclaimant had the disclaimer not been made.

"Disclaimer" means the refusal to accept an interest in or power over property.

"Fiduciary" means a personal representative, trustee, agent acting under a power of attorney, or other person authorized to act as a fiduciary with respect to the property of another person.

"Jointly held property" means property held in the name of two or more persons under an arrangement in which all holders have concurrent interests and under which the last surviving holder is entitled to the whole of the property and includes, without limitation, property held as tenants by the entirety.

"Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency or instrumentality, public corporation, or any other legal or commercial entity.

"State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes an Indian tribe or band, or Alaskan native village, recognized by federal law or formally acknowledged by a state.

"Trust" means (i) an express trust, charitable or noncharitable, with additions thereto, whenever and however created; and (ii) a trust created pursuant to a statute, judgment, or decree, which requires the trust to be administered in the manner of an express trust.

**Drafting note: No change.**

§ ~~64.1-196.2~~ 64.2-2601. Scope.

This chapter applies to disclaimers of any interest in or power over property, whenever created.

**Drafting note: No change.**

§ ~~64.1-196.3~~ 64.2-2602. Chapter supplemented by other law.

A. Unless displaced by a provision of this chapter, the principles of law and equity supplement this chapter.

B. This chapter does not limit any right of a person to waive, release, disclaim, or renounce an interest in or power over property under a law other than this chapter.

**Drafting note: No change.**

§ ~~64.1-196.4~~ 64.2-2603. Power to disclaim; general requirements; when irrevocable.

A. A person may disclaim in whole or in part, any interest in or power over property, including a power of appointment. A person may disclaim the interest or power even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to disclaim.

B. Except to the extent a fiduciary's right to disclaim is expressly restricted or limited by another statute of ~~this state~~ the Commonwealth or by the instrument creating the fiduciary relationship, a fiduciary may disclaim, in whole or in part, any interest in or power over property, including a power of appointment, whether acting in a personal or representative capacity. A fiduciary may disclaim the interest or power even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to disclaim, or an instrument other than the instrument that created the fiduciary relationship imposed a restriction or limitation on the right to disclaim.

C. A custodial parent of a minor for whom no guardian of the property has been appointed may disclaim, in whole or in part, an interest in or power over property, including a power of appointment, that, ~~(but for the custodial parent's disclaimer),~~ would have passed to the minor as the result of another disclaimer. The custodial parent may disclaim the interest or power even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to disclaim.

D. To be effective, a disclaimer shall be in writing or other record, declare the disclaimer, describe the interest or power disclaimed, be signed by the person making the disclaimer, and be delivered or filed in the manner provided in § ~~64.1-196.11~~ 64.2-2610. In this subsection, "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

E. A partial disclaimer may be expressed as a fraction, percentage, monetary amount, term of years, limitation of power, or any other interest or estate in the property.

F. A disclaimer becomes irrevocable when it is delivered or filed pursuant to § ~~64.1-196.11~~ 64.2-2610 or when ~~if it~~ becomes effective as provided in §§ ~~64.1-196.5~~ 64.2-2604 through ~~64.1-196.10~~ 64.2-2609, whichever occurs later.

G. A disclaimer made under this chapter is not a transfer, assignment, or release.

**Drafting note: Technical changes.**

§ ~~64.1-196.5~~ 64.2-2604. Disclaimer of interest in property.

A. In this section ~~(i) "time;~~

"Future interest" means an interest that takes effect in possession or enjoyment, if at all, later than the time of its creation.

"Time of distribution" means the time when a disclaimed interest would have taken effect in possession or enjoyment, and (ii) "future interest" means an interest that takes effect in possession or enjoyment, if at all, later than the time of its creation.

B. Except for a disclaimer governed by ~~§ 64.1-196.6~~ 64.2-2605 or ~~§ 64.1-196.7~~ 64.2-2606, the following rules apply to a disclaimer of an interest in property:

1. The disclaimer takes effect as of the time the instrument creating the interest becomes irrevocable, or, if the interest arose under the law of intestate succession, as of the time of the intestate's death.

2. The disclaimed interest passes according to any provision in the instrument creating the interest providing for the disposition of the interest, should it be disclaimed, or of disclaimed interests in general.

3. If the instrument does not contain a provision described in subdivision 2, the following rules apply:

a. If the disclaimant is an individual, the disclaimed interest passes as if the disclaimant had died immediately before the time of distribution. However, if by law or under the instrument, the descendants of the disclaimant would share in the disclaimed interest by any method of representation had the disclaimant died before the time of distribution, the disclaimed interest passes only to the descendants of the disclaimant who survive at the time of distribution.

b. If the disclaimant is not an individual, the disclaimed interest passes as if the disclaimant did not exist.

4. Upon the disclaimer of a preceding interest, a future interest held by a person other than the disclaimant takes effect as if the disclaimant had died or ceased to exist immediately before the time of distribution, but a future interest held by the disclaimant is not accelerated in possession or enjoyment.

**Drafting note: Technical changes.**

~~§ 64.1-196.6~~ 64.2-2605. Disclaimer of rights of survivorship in jointly held property.

A. Upon the death of a holder of jointly held property, a surviving holder may disclaim, in whole or in part, the greater of (i) a fractional share of the property determined by dividing the number one by the number of joint holders alive immediately before the death of the holder to whose death the disclaimer relates; or (ii) all of the property except that part of the value of the entire interest attributable to the contribution furnished by the disclaimant.

B. A disclaimer under subsection A takes effect as of the death of the holder of jointly held property to whose death the disclaimer relates.

C. An interest in jointly held property disclaimed by a surviving holder of the property passes as if the disclaimant predeceased the holder to whose death the disclaimer relates.

**Drafting note: No change.**

§ ~~64.1-196.7~~ 64.2-2606. Disclaimer of interest by trustee.

If a trustee disclaims an interest in property that otherwise would have become trust property, the interest does not become trust property.

**Drafting note: No change.**

§ ~~64.1-196.8~~ 64.2-2607. Disclaimer of power of appointment or other power not held in a fiduciary capacity.

If a holder disclaims a power of appointment or other power not held in a fiduciary capacity, the following rules apply:

1. If the holder has not exercised the power, the disclaimer takes effect as of the time the instrument creating the power becomes irrevocable.

2. If the holder has exercised the power and the disclaimer is of a power other than a presently exercisable general power of appointment, the disclaimer takes effect immediately after the last exercise of the power.

3. The instrument creating the power is construed as if the power expired when the disclaimer became effective.

**Drafting note: No change.**

§ ~~64.1-196.9~~ 64.2-2608. Disclaimer by appointee, object, or taker in default of exercise of power of appointment.

A. A disclaimer of an interest in property by an appointee of a power of appointment takes effect as of the time the instrument by which the holder exercises the power becomes irrevocable.

B. A disclaimer of an interest in property by an object or taker in default of an exercise of a power of appointment takes effect as of the time the instrument creating the power becomes irrevocable.

**Drafting note: No change.**

§ ~~64.1-196.10~~ 64.2-2609. Disclaimer of power held in fiduciary capacity.

A. If a fiduciary disclaims a power held in a fiduciary capacity that has not been exercised, the disclaimer takes effect as of the time the instrument creating the power becomes irrevocable.

B. If a fiduciary disclaims a power held in a fiduciary capacity that has been exercised, the disclaimer takes effect immediately after the last exercise of the power.

C. A disclaimer under this section is effective as to another fiduciary if the disclaimer so provides and the fiduciary disclaiming has the authority to bind the estate, trust, or other person for whom the fiduciary is acting.

**Drafting note: No change.**

§ ~~64.1-196.11~~ 64.2-2610. Delivery or filing.

A. In this section, "beneficiary designation" means an instrument, other than an instrument creating a trust, naming the beneficiary of (i) an annuity or insurance policy; (ii) an account with a designation for payment on death; (iii) a security registered in beneficiary form; (iv) a pension, profit-sharing, retirement, or other employment-related benefit plan; or (v) any other nonprobate transfer at death.

B. Subject to subsections C through L, delivery of a disclaimer may be effected by personal delivery, first-class mail, or any other method likely to result in its receipt.

C. In the case of an interest created under the law of intestate succession or an interest created by will, other than an interest in a testamentary trust, (i) a disclaimer shall be delivered to the personal representative of the decedent's estate or (ii) if no personal representative is then serving, it shall be filed with a court having jurisdiction to appoint the personal representative.

D. In the case of an interest in a testamentary trust, (i) a disclaimer shall be delivered to the trustee then serving, or if no trustee is then serving, to the personal representative of the decedent's estate or (ii) if no personal representative is then serving, it shall be filed with a court having jurisdiction to enforce the trust.

E. In the case of an interest in an inter vivos trust, (i) a disclaimer shall be delivered to the trustee then serving; (ii) if no trustee is then serving, it shall be filed with a court having jurisdiction to enforce the trust; or (iii) if the disclaimer is made before the time the instrument creating the trust becomes irrevocable, it shall be delivered to the settlor of a revocable trust or the transferor of the interest.

F. In the case of an interest created by a beneficiary designation made before the time the designation becomes irrevocable, a disclaimer shall be delivered to the person making the beneficiary designation.

G. In the case of an interest created by a beneficiary designation made after the time the designation becomes irrevocable, a disclaimer shall be delivered to the person obligated to distribute the interest.

H. In the case of a disclaimer by a surviving holder of jointly held property, the disclaimer shall be delivered to the person to whom the disclaimed interest passes.

I. In the case of a disclaimer by an object or taker in default of exercise of a power of appointment at any time after the power was created, (i) the disclaimer shall be delivered to the holder of the power or to the fiduciary acting under the instrument that created the power or (ii) if no fiduciary is then serving, it shall be filed with a court having authority to appoint the fiduciary.

J. In the case of a disclaimer by an appointee of a nonfiduciary power of appointment, (i) the disclaimer shall be delivered to the holder, the personal representative of the holder's estate, or to the fiduciary under the instrument that created the power or (ii) if no fiduciary is then serving, it shall be filed with a court having authority to appoint the fiduciary.

K. In the case of a disclaimer by a fiduciary of a power over a trust or estate, the disclaimer shall be delivered as provided in subsection C, D, or E, as if the power disclaimed were an interest in property.

L. In the case of a disclaimer of a power by an agent, the disclaimer shall be delivered to the principal or the principal's representative.

**Drafting note: Technical changes.**

§ ~~64.1-196.12~~ 64.2-2611. When disclaimer barred or limited.

A. A disclaimer is barred by a written waiver of the right to disclaim.

B. A disclaimer of an interest in property is barred if any of the following events occur before the disclaimer becomes effective: (i) the disclaimant accepts the interest sought to be disclaimed; (ii) the disclaimant voluntarily assigns, conveys, encumbers, pledges, or transfers the interest sought to be disclaimed or contracts to do so; or (iii) a judicial sale of the interest sought to be disclaimed occurs.

C. A disclaimer, in whole or in part, of the future exercise of a power held in a fiduciary capacity is not barred by its previous exercise.

D. A disclaimer, in whole or in part, of the future exercise of a power not held in a fiduciary capacity is not barred by its previous exercise unless the power is exercisable in favor of the disclaimant.

E. A disclaimer is barred or limited if so provided by law other than this chapter.

F. A disclaimer of a power over property, which is barred by this section, is ineffective. A disclaimer of an interest in property, which is barred by this section, takes effect as a transfer of the interest disclaimed to the persons who would have taken the interest under this chapter had the disclaimer not been barred.

**Drafting note: No change.**

§ ~~64.1-196.13~~ 64.2-2612. Tax qualified disclaimer.

Notwithstanding any other provision of this chapter, if as a result of a disclaimer or transfer the disclaimed or transferred interest is treated pursuant to the provisions of Title 26 of the United States Code, as now or hereafter amended, or any successor statute thereto, and the regulations promulgated thereunder, as never having been transferred to the disclaimant, then the disclaimer or transfer is effective as a disclaimer under this chapter.

**Drafting note: No change.**

§ ~~64.1-196.14~~ 64.2-2613. Recording of disclaimer.

If an instrument transferring title to real property is disclaimed, a copy of the disclaimer shall be recorded in the office of the clerk of the circuit court for the jurisdiction where the real property is located. If any other interest in or power over property subject to a disclaimer is required or permitted by law to be filed, recorded, or registered, the disclaimer may be so filed, recorded, or registered. Failure to file, record, or register the disclaimer does not affect its

validity as between the disclaimant and persons to whom the property interest or power passes by reason of the disclaimer.

**Drafting note: No change.**

§ ~~64.1-196.15~~ 64.2-2614. Application to existing relationships.

Except as otherwise provided in § ~~64.1-196.12~~ 64.2-2611, an interest in or power over property existing on ~~the effective date of this chapter~~ July 1, 2003, as to which the time for delivering or filing a disclaimer under law superseded by this chapter has not expired may be disclaimed after the effective date of this chapter.

**Drafting note: Technical change.**