

Vehicle Licensing Guide

Beneficiary-Application For Title VLIC-3.506

Original Date: 07/01/2013

Revision Date: 07/01/2020

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POLICY	
Title: Beneficiary-Application for Title	
Effective Date: July 1, 2013	Revision Date: July 1, 2020
Authority: Code of Virginia §§ 46.2-615 , 46.2-633.2 , 58.1-2403	
<p>Policy:</p> <p>DMV shall issue certificates of title with a beneficiary, designated by the vehicle owner, to whom the motor vehicle, trailer, or semitrailer shall be transferred upon their death, provided transfer is completed within 120 days of the owner's death, and the:</p> <p style="margin-left: 40px;"><<<<REVISION</p> <ul style="list-style-type: none">• Vehicle owner(s) and beneficiary is a natural person, not a business.• Vehicle is not encumbered by a lien or security interest. END REVISION>>>> <p>When a vehicle is transferred to a beneficiary upon the death of the vehicle owner, the beneficiary must pay the greater of either the motor vehicle sales and use tax (SUT) on the NADA trade-in value, or minimum SUT, UNLESS the beneficiary qualifies for tax exemption under Va. Code § 58.1-2403 (refer to VLIC-4.620).</p> <ul style="list-style-type: none">• Use NADA average retail value in place of trade-in value for mopeds, ATVs, and off-road motorcycles. No NADA trade-in value is provided for these vehicles and minimum SUT requirements do not apply (refer to VLIC-4.620 and Internet NADA Guide).	
<p>Exception:</p> <p>If a designated beneficiary does not apply for a certificate of title within 120 days of the death of the owner, or if the beneficiary does not survive the vehicle owner, the beneficiary or his estate has no rights to the motor vehicle pursuant to Va. Code § 46.2-633.2.</p>	

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DEFINITIONS

BENEFICIARY-For purposes of this procedure, a beneficiary is a person designated by a vehicle owner (being a natural person, not a business) to receive ownership of the vehicle upon the owner's death. When a beneficiary is designated by the owner of a vehicle to receive the vehicle, the beneficiary's right to the vehicle supersedes (overrides) existing wills and/or legal heirs. Any transfer of a vehicle to a designated beneficiary upon the death of the owner is, however, subject to any mechanic's or storage lien.

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BACKGROUND

The system does not automatically remove the beneficiary's name from the title record when transferring title upon the death of the owner. It must be removed manually by the CSR in order to process the title.

Removing the beneficiary's name using the Title Maintenance (MV1) screen is an exceptional process necessary to allow the system to process a title anytime it is being titled into the beneficiary's name due to the death of the owner, or when titling to the beneficiary or a 3rd party in the event the owner sells the vehicle prior to death.

Additionally, when a beneficiary is applying to title the vehicle in his name due to the death of the owner, the system will not allow co-owners to be added to the title. A CUST Held must be placed on the record to add the co-owners via MOW, and then released. If a CSR is not authorized to add or remove names from a title using MOW, he or she must request assistance from CSC management or designee.

Refer to the Beneficiary Titling table below to determine proper use of the MOW screen, and for required applications:

Beneficiary Titling		
Transaction	Action Taken by CSR	Forms required
Original title <ul style="list-style-type: none"> Add Beneficiary at Time of Titling 	N/A If a beneficiary exists on title, remove beneficiary name using Title Maintenance (MV1). *(Request management assistance if not authorized)*	<ul style="list-style-type: none"> Assigned certificate of title OR VSA 17A/VSA 17B, and Acceptable proof of ownership VSA 18 Other forms as required for transaction
Original Title <ul style="list-style-type: none"> Transferred to Beneficiary Owner Deceased 	Yes Remove beneficiary using MV1. *(Request management assistance if not authorized)*	<ul style="list-style-type: none"> VA Certificate of Title (no reassignment necessary), OR VSA 17A/VSA 17B, and VSA 12 Other forms as required for transaction
	To add co-owners to beneficiary's title <ul style="list-style-type: none"> Process Title Place CUST Held Add co-owners in MOW Release CUST Held 	
Original Title <ul style="list-style-type: none"> Transfer to Beneficiary or 3rd Party Owner Sold or Gifted while Living 	Yes Remove beneficiary using MV1. *(Request management assistance if not authorized)*	<ul style="list-style-type: none"> Assigned certificate of title OR VSA 17A/VSA 17B, and Acceptable proof of ownership Other forms as required for transaction
Substitute Title On Existing Title Owner Requests to: <ul style="list-style-type: none"> Add Beneficiary Change Beneficiary Remove Beneficiary 	N/A	<ul style="list-style-type: none"> VSA 67 VSA 18
<<<<<REVISION ¹ The system will automatically remove an existing beneficiary from the title record when the vehicle owner adds a lien. END REVISION>>>>>		

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CUSTOMER REQUIREMENTS – ADD BENEFICIARY TO ORIGINAL TITLE

- Submit Application for Certificate of Title and Registration ([VSA 17A](#)) or Application for Certificate of Title-Manufactured Home ([VSA 17B](#)), in accordance with [VLIC-3.000](#).
- Submit Beneficiary Transaction Request ([VSA 18](#)).

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FRONT COUNTER CSR – ADD BENEFICIARY TO ORIGINAL TITLE

- Verify submission of application for title, [VSA 17A](#) or [VSA 17B](#), in accordance with [VLIC-3.000](#).

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- Verify submission of [VSA 18](#),
 - Ensure the application is signed by ALL vehicle owners. **END REVISION>>>>>**
- Inquire in the system using the beneficiary's name and customer number as recorded on the [VSA 18](#).
 - If no customer record exists in the system for the designated beneficiary:
 - Add the customer to the system, and
 - Add the beneficiary to the title.
 - If the beneficiary's name and customer number are in the system and match the name and number on the [VSA 18](#), add the beneficiary to the title,
 - If a customer record exists in the system, but the beneficiary name and customer number do not match the name and number on the [VSA 18](#):
 - Inquire on the beneficiary's name and customer number a second time.
 - If the beneficiary name and customer number are in the system and match the [VSA 18](#), add the beneficiary to the title, or

III. If the beneficiary name and customer number are in the system but do not match the [VSA 18](#), ask the applicant to verify the name and customer number with the beneficiary and resubmit the form.

- For convenience, the applicant may choose to process the title and add the beneficiary at a later date.

d. Continue processing the original title in accordance with [VLIC-3.000](#).

NOTE: To add, remove, or change a beneficiary on an **existing title**, process a substitute title in accordance with [VLIC-3.120](#).

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CUSTOMER REQUIREMENTS – TRANSFER TITLE TO BENEFICIARY/OWNER DECEASED

1. Submit completed and signed [VSA-17A](#) or [VSA-17B](#).
2. Submit one of the following:
 - Virginia certificate of title in the deceased owner's name showing the designated beneficiary,
 - No assignments are required on the certificate of title when transferring the title to the beneficiary upon the death of the vehicle owner.
 - OR
 - Affidavit in Lieu of Title ([VSA 12](#)).
3. Submit a certified or notarized death certificate (if owner is not already marked deceased in DMV's system),
4. Pay fees:
 - Pay the greater of either the motor vehicle sales and use tax (SUT) on the NADA trade-in value, or minimum SUT, unless qualified for tax exemption under Va. Code § [58.1-2403](#).
 - Use NADA average retail value in place of trade-in value for mopeds, ATVs, and off-road motorcycles. No NADA trade-in value is available for these vehicles and minimum SUT requirements do not apply (refer to [VLIC-4.620](#) and [Internet NADA Guide](#)).
 - Titling fee.

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FRONT COUNTER CSR – TRANSFER TITLE TO BENEFICIARY/OWNER DECEASED

1. Verify submission of the completed and signed [VSA-17A](#) or [VSA-17B](#).
2. Verify submission of one of the following:
 - Virginia certificate of title in the deceased owner's name showing the designated beneficiary,
 - No assignments are required on the certificate of title when transferring the title to the beneficiary upon the death of the vehicle owner.
 - OR
 - Affidavit in Lieu of Title ([VSA 12](#)).
 - In the event the beneficiary does not have possession of the title upon the owner's death, a completed VSA 12 can provide sufficient evidence of ownership for the transfer of title.
3. Verify submission of the certified or notarized death certificate(s) (when required),
 - If the owner is not already marked deceased in the system, mark the owner as deceased based on the date of death on the certified or notarized death certificate,
 - Application for title must be made within 120 days of the owner's death to be eligible for beneficiary rights. The system will calculate from the date of death to determine the beneficiary's eligibility.

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4. Inquire in the system to verify that no co-owners exist on the current title record.
 - All owners must be deceased prior to titling in the name of the beneficiary. **END REVISION>>>>**
5. Remove the beneficiary's name from the title record using the Title Maintenance (MV1) screen (refer to the [Beneficiary Titling](#) table).
 - Request assistance from CSC management or designee if not authorized to remove owner names from the record.
6. To add co-owners:
 - a. Process the original title in the beneficiary's name (refer to [VLIC-3.000](#)).

- b. Place a CUST Held on the title,
 - c. In Maintain Owner (MOW), add the co-owner(s) to the title,
 - o Request CSC management or designee assistance if not authorized to remove owner names from the record.
 - d. Release the CUST Held.
7. Process application for plates and registration (when applicable) following guidelines in [VLIC-4.000](#).
- Beneficiaries are not eligible to transfer the license plates registered to the deceased owner.

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DMV CUSTOMER CONTACT CENTER ACTIONS

- Do NOT promise the acceptability of documents to customers.
- Do NOT use phrases like:
 - o "You have everything you need, just go to a CSC and they will issue your document."
 - o Use phrasing such as:
 - "The documents you have listed sound like they may be acceptable: The CSC will make the final determination of your eligibility to receive your Virginia title and/or registration card."

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POINTS TO REMEMBER

1. A vehicle owner may designate someone as a beneficiary for the vehicle, to be added to a certificate of title, only under the following conditions:

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 - The vehicle cannot be subject to a lien or security interest,
 - The vehicle owner and the designated beneficiary must be a person, not a business.
2. Designated beneficiaries:
 - Must have no interest in the vehicle,
 - Are not authorized or required to sign or give consent for any vehicle transaction other than when transferring the vehicle into his or her name upon the death of the vehicle owner(s).
 - Have rights to the vehicle upon the owner's death regardless of any existing will or any other instrument, any existing legal heirs, by any change in circumstances, or in any other manner.
 - Must transfer the vehicle into their name within 120 days of the date of the vehicle owner's death or lose their rights to the vehicle. The system will stop the transaction if processed more than 120 days from the vehicle owner's death.
 - o In the event of multiple owners, ALL of the co-owners must be deceased prior to the beneficiary titling in his/her name. **END REVISION>>>>>**
 - Must pay the greater of either the SUT on the NADA trade-in value of the vehicle or minimum SUT when applying to transfer a vehicle to their name as the beneficiary (refer to [VLIC-4.620](#)), UNLESS exempt from SUT under Va. Code § [58.1-2403](#).
 - o Use NADA average retail value in place of trade-in value for mopeds, ATVs, and off-road motorcycles. NO NADA trade-in value is provided for these vehicles and minimum SUT requirements do not apply (refer to [VLIC-4.620](#) and [Internet NADA Guide](#)).
 - o A designated beneficiary who is also the spouse, biological or adopted son or daughter, or parent of the deceased vehicle owner **and who qualifies** for the Family Member (F) tax exemption under Va. Code § [58.1-2403](#) (7) (refer to [VLIC-4.620](#)) is not required to pay SUT. Enter the "F" tax exempt code for qualifying applicants.
 - May choose to add a co-owner(s) to the title at time of title transfer (refer to the [Beneficiary Titling](#) table).

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3. The system will automatically remove a beneficiary from the title record when the **vehicle owner** adds a lien to the vehicle after the beneficiary was designated on the title. **END REVISION>>>>>**
4. A vehicle owner may choose to sell or gift the vehicle to the designated beneficiary, or to a 3rd party, prior to death (refer to the [Beneficiary Titling](#) table).

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CONTACT

For additional information contact:

- Your CSC Manager/Assistant Manager
- DMV Customer Contact Center Help Desk at (804) 367-6646
- VSA/[Titling Work Center](#)

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