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POLICY

Title: Beneficiary-Application for Title

Effective Date: July 1, 2013
Revision Date: March 20, 2014

Authority: Code of Virginia §§ 46.2-615, 46.2-633.2, 46.2-633.7, 58.1-2403 END REVISION>

Policy:
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:
- Vehicle owner and beneficiary is a natural person, not a business.
- Vehicle is not encumbered by a lien or security interest.
- Vehicle is titled solely in the name of one owner (no co-owner(s)) at the time beneficiary is designated.

When a vehicle is transferred to a beneficiary upon the death of its 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). END REVISION>

Exception:
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.

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.

CUSTOMER REQUIREMENTS – ADD BENEFICIARY TO ORIGINAL TITLE

1. Submit Application for Certificate of Title and Registration (VSA 17A) or Application for Certificate of Title-Manufactured Home (VSA 17B).
2. Submit Beneficiary Transaction Request (VSA 18).

FRONT COUNTER CSR – ADD BENEFICIARY TO ORIGINAL TITLE

1. Verify submission of application for title, VSA 17A or VSA 17B.
2. Verify submission of VSA 18.
3. Inquire in the system using the beneficiary’s name and customer number as recorded on the VSA 18.
   a. If no customer record exists in the system for the designated beneficiary:
      i. Add the customer to the system, and
      ii. Add the beneficiary to the title.
b. 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,
c. 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:
   i. Inquire on the beneficiary’s name and customer number a second time.
   ii. 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.
      o For convenience, the applicant may choose to process the title and add the beneficiary at a later date.

NOTE: To add, remove, or change a beneficiary on an existing title, process in accordance with VLIC-3.120.

CUSTOMER REQUIREMENTS – TRANSFER TITLE TO BENEFICIARY/OWNER DECEASED
1. Submit completed and signed Application for Certificate of Title and Registration (VSA-17A) or Application for Certificate of Title-Manufactured Home (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 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.

FRONT COUNTER CSR – TRANSFER TITLE TO BENEFICIARY/OWNER DECEASED
1. Verify submission of the completed and signed Application for Certificate of Title and Registration (VSA-17A) or Application for Certificate of Title-Manufactured Home (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).
3. Verify submission of the certified or notarized death certificate (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.
4. Inquire in the system to verify that no co-owners exist on the current title record.
5. 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.
6. Continue processing the original title in accordance with VLIC-3.000

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NOTE: For vehicles titled with an existing beneficiary that are transferred/sold by the owner while still living to either the person designated as beneficiary, or to another person, the CSR is authorized to remove the name and customer number of the designated beneficiary from the vehicle record to allow the title to process in accordance with VLIC-3.000. There is no requirement to submit the VSA 18 in this case. END REVISION>>>>>
DMV DIRECT ACTIONS

- Do not promise the acceptability of documents to customers.
- Do NOT use phrases like:
  - "You have everything you need, just go to a CSC and they will issue your document."
  - 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."

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:
   - The vehicle must be titled in the name of one owner (sole ownership),
   - 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.
   - 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.
   - 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.
     - 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.

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3. A vehicle owner may choose to sell the vehicle to the designated beneficiary prior to death. The CSR must remove the beneficiary’s name from the vehicle record to allow the title transfer to process. The vehicle owner is NOT REQUIRED to submit the VSA 18 to first remove the beneficiary from the title to allow the title to transfer.

4. The system will automatically remove a beneficiary from the title record anytime the vehicle owner titles the vehicle jointly (more than one owner), or adds a lien to the vehicle after the beneficiary was designated on the title.

END

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CONTACT
For additional information contact:
- Your CSC Manager/Assistant Manager
- DMV Direct Help Desk at (804) 367-6646
- VSA/Titling Work Center