Uniform Transfers to Minors Act Update

Quick-Take: The Uniform Law Commission in September of 2026 amended the Uniform Transfer to Minors Act (UTMA) with the goal to modernize that uniform law. The last version of the UTMA was enacted in 1983.

Background: In 1998 Michigan adopted the 1983 version of this uniform law. [MCL 554.521-554.552.] Hopefully, Michigan Legislature will decide to finally decide to go to work and adopt this newest version of the UTMA (but I'm not holding my breath when it comes to our 'do nothing' Legislature regarding passing laws of interest to estate planners and their clients.)

Recent UTMA Changes: The major changes to the UTMA model legislation are summarized below.

1. **Increase Age of Termination:** The updated UTMA allows the adopting state to raise the custodian account termination age from age 21 to age **25**, in order to (hopefully) give the account beneficiary more maturity before he/she takes control of the UTMA assets.
2. **Increased Permitted Transfers:** The portability and permitted transfers by a custodian from a UTMA are increased to include: (i) to a **529** higher education account; (ii) to a **530** Trump Account; (iii) to a **special needs trust**; and (iv) to a qualified minor's trust under IRC **2503(c).**
3. **Court Oversight:** The amended uniform law increases the dollar amount held in the UTMA that triggers court oversight from $10,000 to **$50,000** to account for inflation (since 1983.)
4. **Creating UTMA Property:** The amendment provides a simplified method to **create** UTMA custodial property.
5. **Successor Custodian Appointment:** The changes to the uniform law simplify the process to name and transition to a successor UTMA custodian if the existing custodian resigns, becomes ill, or suffers from incapacity, while it clarifies the custodian's fiduciary duties. However, one desired change that was not made to the UTMA was that there is **still only one custodian per UTMA account.**
6. **Clarified Legal Standards:** The UTMA amendment also seeks to provide clearer legal standards for the **management and use** of UTMA property, which has presented confusion for custodians in the past decades.

Conclusion: These are very beneficial and welcome changes to the UTMA which are long overdue. Given the 'snail's pace' at which Michigan's Legislature works, with virtually no priority given by it to estate planning matters, it is possible for a Will or Trust that intends to use a UTMA if a minor (or anyone under the age 25 years) is to receive property from an estate or trust, or by gift, to make express reference in the governing instrument to the "2026 version of Uniform Transfers to Minors Act, whether or not that uniform legislation has been adopted in Michigan."