

## Is a Joint Bank Account Right for You?

Joint bank accounts are often viewed as an easy way to give financial caregivers the ability to manage money on behalf of older adults. In some cases, they are used so the co-signee inherits the funds upon death of the primary account holder. However, both parties rarely understand the risks associated with joint accounts or the alternatives available to them.

“Setting up a joint account essentially removes the financial firewall between both parties,” said Corey Carlisle, senior vice president, bank community engagement. “There are often alternatives available that will protect the assets of older customers, as well as those of financial caregivers.” “At any age, joint accounts may work for some, but we urge you to use caution before signing on the dotted line,” said Debra Whitman, Chief Public Policy Officer, AARP. “If you don't look before you leap, you could fall into trouble with your finances.”

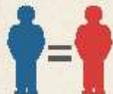
Before deciding if a joint account is right for you, you should consider the following factors:

- **The co-signee becomes financially responsible for taxes on the account.** That means should the primary account holder owe the government back taxes at any point, the co-signee would be just as responsible to the IRS for that money.
- **The money is just as much theirs as it is yours.** Once someone is listed as a joint-account holder, the co-signee and the primary account holder own that money equally in the eyes of a financial institution. Both parties will have the ability to withdraw funds whenever they see fit.
- **Creditors can come after those funds.** If an account owner were to incur substantial medical bills, or face a lawsuit, the funds in the joint account could be used as a liable asset. A creditor might not differentiate between primary account holder and co-signee.

Infographics are a fun and easy way to understand concepts, data and knowledge. Take a look at ABA's infographic, “Look Before You Leap”, that explains the details that come with a joint banking account, and if it is the right choice for you and your spouse!

**LOOK BEFORE YOU LEAP**  
Is a Joint Bank Account Right for Me?

Joint accounts may be a great way to share financial responsibilities (income & expenses).

OTHER REASONS PEOPLE CHOOSE JOINT BANK ACCOUNTS	WHAT YOU NEED TO KNOW	SAFER ALTERNATIVES TO JOINT BANK ACCOUNTS
 <p><b>Extra pair of eyes</b> To monitor someone else's finances for them.</p> <p><b>Assist with managing money</b> To easily assist someone with paying bills and other banking needs.</p> <p><b>Post-death distributions</b> To easily transfer money after the death of an account holder.</p>	 <p>The other account holder could withdraw money out of the account without your consent or knowledge.</p> <p><b>IRS</b> You may become responsible for paying taxes on the account.</p> <p> Your funds could be taken if the other account holder is sued.</p>	<p><b>View-Only Account</b> Gives someone you trust the ability to watch and protect your account without the ability to access funds.</p> <p><b>Convenience Account or Special Financial Power of Attorney</b> Allows someone you trust to use your account for your benefit.</p> <p><b>Payable Upon Death Form</b> Allows you to name the person to whom you want to leave the money in your account by completing a bank form.</p>

**If you are considering a joint bank account talk to your banker about the alternatives.**

**AARP** Real Possibilities

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