

7 Reasons to consider before changing the ownership of your bank accounts!

Why do seniors think they have to make their accounts joint with those who have their Power of Attorney (POAs)? Family members and even lawyers can potentially scare the seniors by saying, "If you don't make me joint on your account and you pass away, those people in the Government, will get all your lifesavings in probate fees." On the surface it sounds like a good plan. Or people sometimes think just because they have given their child a power of attorney to help them pay routine bills and process regular transactions, it means they have to be joint on the bank accounts – which is not the case.

7 Reasons Seniors Should Not Make Accounts Joint with POA or Other Parties: The Attorney can not tell the bank to make the accounts joint.....the bank should speak to the donor (our client) directly and in private. We have to make sure the donor (our client) knows all the risks of making an account joint before the bank does so.

1. When someone is made joint on an account and the donor (our client) passes away, the other person gets "right of survivorship"– meaning the NEW joint account holder gets all the money in the account and anyone else expecting an inheritance won't.
2. Almost 50% of people get divorced these days. If the adult child/Attorney who was made joint on the account with their elderly relative gets divorced, the money in the joint account is at risk to be deemed the adult child's marital assets and split with their former spouse. Would you like your ex daughter/son in law to get your life savings?
3. If the adult child/Attorney is made joint on the account and doesn't pay their own bills, the money in the joint account (usually the senior's life savings) is at risk for garnishment/seizure by the adult child's creditors.

4. If the adult child/Attorney is made joint on the account and has a car accident or is sued for any other reason, the money in the joint account, (usually the senior's life savings) can be at risk for garnishment/seizure by the judgment creditor.
5. When one child gets made joint on the account and there are other children in the family, there may be problems once the other family members find out, which can lead to the family involving the financial institution in their family dispute over the care and ownership of the family assets.
6. If the Donor (our client) remarries and makes their new spouse joint on the account – the client's children from a previous marriage automatically think the new spouse is going to "get and squander" their expected inheritance.
7. Even though the senior would not like to think so and even if the new joint account holder appears to be well established, the joint account holder, may take the senior's funds to feed their addictions: alcohol, gambling, drugs or just to "keep up with Jones' kind of shopping for themselves (new cars/homes, Disneyland for \$20,000, Madonna tickets, seasons tickets to Detroit Tigers, beer store, pizza, golfing etc.)