

Planning for your assets during your lifetime

Joint Accounts

Joint accounts may be right for you.

Joint accounts are accounts which you own jointly with another person. In other words, a joint account is owned in both your name and the joint owner's name. If you own a bank account in only your name, you are the only person who is allowed to access that account. Instead, you have the option of naming another person, such as your spouse, as a joint owner on the account. This allows another person to access and manage your account also. For example, a joint owner on a bank account can withdraw or deposit money in the account, write checks from the account to pay bills, and speak with the bank to get information about the account.

It's important to be very cautious about joint accounts.

Joint accounts aren't right for everyone. For many reasons, money in a joint account may unfortunately be less safe and secure than money owned only in your name. For example, if a joint owner gets a divorce, gets sent to a debt collector, files for bankruptcy, or gets into a car accident and gets sued, the money in the joint account will be at risk. Joint accounts can also cause you to accidentally disinherit loved ones. While you might intend to leave some amount of money to other people, joint accounts will pass automatically to only the joint owner at your death, and your other loved ones will have no claim to the money that was in the joint account.

Planning for your assets during your lifetime is essential.

“Planning for your assets” means planning for things like paying your bills, managing the money in your bank accounts, managing any investment accounts you might own, such as an IRA or 401k, and taking care of any property you own, such as your home. We often think about planning for what will happen to our assets after we die, but it's just as important to think about planning for your assets while you are still living.

Be prepared for unexpected injury or illness.

With joint accounts, you are planning ahead for the possibility that you may not always be healthy enough to manage your own money. Unexpected illness or injury can happen to anyone. For example, if you are involved in an accident which causes you to be hospitalized or to lose consciousness, or if you become sick in a way which causes you to become confused or to lose your memory, you may not be able to manage your money yourself.

Get started.

You can create joint accounts by visiting your local bank branch. It's also a good idea to speak to an estate planning attorney about whether joint accounts are right for you.

<http://wingsoregon.org/get-a-life-plan>