



A Financial Power of Attorney, Joint Bank Account, & Payable on Death



Think About it!

John is 75 years old. He was recently in an accident and lost his spouse. It will be a while before he can leave his home, so he needs help with his banking. John also wants his children, Ed and Sue, to have his money after he dies.

Question 1: *How is it helpful for John to add Ed as a joint owner to his bank account?*

Question 2: *Should John have some concerns?*

Did you think about it?

How it might be helpful

- John has someone to help him to handle his banking and pay his bills.
- If Ed does a good job and John trusts him, Ed can give John peace of mind.

How it might be harmful or have unintended consequences

- If Ed is not trustworthy, he could help himself to John's money.
- Ed's creditors might try to take money from John and Ed's joint account.
- The money in the account will automatically go to Ed as the surviving owner at John's death. Sue is not entitled to any money in the account. John would have to rely on Ed to give Sue her share. Ed will not be obligated to give Sue any money.

Question 3: *Instead, what if John uses a Financial Power of Attorney so Ed can help him with his banking and lists both Ed and Sue as beneficiaries for his bank account? How is this helpful for John?*

Question 4: *Should John have some concerns?*

Did you think about it?

How it might be helpful

- Ed's creditors cannot take John's money to pay Ed's debts.
- John has peace of mind that the money in his account will go to both Ed and Sue after he dies.
- John has someone to help him handle his banking and pay his bills.
- If Ed does a good job and John trusts him, Ed can give John peace of mind.

How it might be harmful or have unintended consequences

Just like with a joint bank account, an untrustworthy Ed could help himself to John's money.



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