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| **Account Ownership Types & Glossary** |
| **Typical Types of Checking and Savings Accounts** |
| **Individual Account (Checking or Savings):**  An individual account is owned solely by one person who manages all transactions and liabilities associated with the account. Only the owner has transactional authority.  **Joint Account with Multiple Parties (Checking or Savings):**  Joint accounts are held in the names of two or more individuals, such as spouses, family members, or business partners. All owners can transact on the account and share ownership and liability. |
| **In the event of an owner’s death in a jointly owned account:** |
| 1. **Joint Account with Rights of Survivorship:** The surviving joint owner gains full ownership of the funds and retains the use of the account. 2. **Transfer on Death (TOD):** The funds of the account transfer directly to the named beneficiary upon the death of the last surviving owner. During the lifetime of the owners, the beneficiary has no rights to the funds and the account owners can freely change or revoke the Transfer on Death designation. 3. **Payable on Death (POD):** The funds of the account pass directly to the named beneficiary upon the death of the last surviving owner. |
| **Adding Someone to an Individual Account:** |
| 1. **Authorized Signer:** This individual can transact on the account but does not own the funds or assume any liabilities. Authority ends upon the account owner’s death. 2. **Agent under Durable Power of Attorney:** Acting within the scope of the document, this agent can manage the account but has no ownership or liability. Authority ceases upon the principal’s death. 3. **Joint Owner:**  This person gains ownership and transactional authority and assumes all liabilities. With rights of survivorship, the surviving owner continues using the account after the death of another owner, with no transfer to beneficiaries or the estate as long as a surviving owner remains. |
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| **Types of Checking and Savings Accounts to Benefit Someone Else** |
| **Trust Account:**  A trust account is established in the name of a trust and managed by trustees on behalf of a beneficiary. The trust owns the funds, and only trustees can conduct transactions. The beneficiary may or may not be a trustee.  **Guardianship Account:**  A guardianship account is created for a person under court-ordered guardianship. The individual under guardianship owns the funds, and only the guardian can manage transactions on this account.  **Representative Payee (Rep Payee) Account:**  A representative payee account is designated for individuals receiving Social Security benefits who require assistance managing their finances. The Social Security benefits recipient owns the funds but has no access to the account. Only the representative payee can conduct transactions and deposits are limited to Social Security payments.  **Estate Account:**  An estate account is established for a deceased person’s estate. Upon entering the will into Probate Court, an executor or administrator is appointed to manage the estate and can open an estate account for fund management. The estate owns the funds, and only the executor or administrator can conduct transactions on this account. |

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| **Glossary**    **Account Beneficiary –** a general term for the person who benefits from the funds in an account after death but cannot transact on the account.  **Agent/Attorney-in-Fact/Power of Attorney (POA) –** the person who acts on behalf of another after receiving powers from the principal.  **Administrator –** a person appointed by a court to carry out the estate administrative process when there is no will, the will was found to be invalid, or there is not an executor named in the will.  **Executor -** a person named in a will to carry out the terms of the will.  **Financial liability –** a general term for an obligation that someone has to pay for or deliver on, such as a bank loan, a leasing agreement, or an unpaid bill.  **Fiduciary –** exercised the utmost good faith and trust when making financial decisions in the best interest of another. The types of fiduciaries are trustees, guardians, agents, administrators, and executors.  **Guardian/Conservator –** a person who looks after and is legally responsible for someone unable to manage their affairs.  **Principal –** the individual who gives the power of attorney to the agent, and the agent is authorized to make decisions and take actions as if they were the principal.  **Representative Payee (rep payee) –** the person appointed by the Social Security Administration to manage benefits for someone unable to manage his or her benefits.  **Representative payee beneficiary -** the person for whom social security funds are managed.  **Trust –** a document drafted by an attorney and is an arrangement that allows a third-party fiduciary, or trustee, to hold assets on behalf of a beneficiary or beneficiaries.  **Trustee –** an individual or entity given the authority to administer the terms of the trust. |