

Is it a good idea to have my son or daughter on my bank account?

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I often meet with clients who want their adult children to be able to access their accounts to help with writing checks or paying bills on their behalf. However, this good intention can create a serious risk of liability if carried out incorrectly. Often, a parent goes to the bank and asks the teller to add the child onto the account. In doing so, the adult child is now a co-owner of this account. This action may create problems for the parent. For example, if the child has creditors, later files for divorce, has a failed business, or files for bankruptcy, then the jointly owned asset may be vulnerable to claims. This could force the parent to lose some or all of that account to pay the child's debt. Instead of adding the child as a co-owner on bank accounts, your child could use a properly drafted Durable Power of Attorney (DPOA) to help you deal with your finances should the circumstance arise.

A Durable Power of Attorney is a legal document in which you designate who you want to make legal and financial decisions for you if you cannot make them for yourself. Our DPOA is extremely comprehensive. It allows your agent to handle virtually all legal and financial matters for you. Our DPOA is in effect immediately. This means your agent can use it even if you are not disabled which is necessary for the DPOA to be accepted at many financial institutions. Therefore, it is especially important that you pick only people whom you trust to be your agent on your Durable Power of Attorney. Every Durable Power of Attorney should have a primary agent and an alternate agent who would act only if the primary agent is

unable to act for you.

Designating the adult child as a Power of Attorney allows the child to access the account, write checks, pay bills, and do everything the parent needs without connecting them personally to the account or exposing assets to the child's liability.

Do you have a Power of Attorney? Call a qualified estate planning attorney today to discuss.

The information contained in this article is not intended to make you an expert on estate planning nor is this article intended to replace the need for the advice of a professional. Rather, this article is simply intended to provide a basic understanding of why estate planning is important for everybody and a basic understanding of some of the more common estate planning tools. This article does not constitute legal advice.

Also see this same article published in Marion Council on Aging's Sippican Soundings [January 2021 Newsletter](#). Reproduced with permission.