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Mistakes and Misconceptions

Estate planning, whether simple or complex, requires careful attention to details which, if overlooked or misunderstood, can undermine the plan's effectiveness. We like to highlight common estate planning mistakes and misconceptions whenever we can.

Do Jointly Owned Accounts Pass to the Survivor?

Most people misunderstand joint accounts. Some believe that they can add the name of a loved one onto an account “for convenience purposes” without ramifications. They do not necessarily consider what will happen after they pass away. Others believe that adding a joint account owner creates an account with a “right of survivorship,” meaning that the account will pass, in its entirety, to the survivor at the death of the first owner. The bottom line is that you must carefully consider joint ownership to be sure that you know what type of account you are creating. In order for the account to pass to the survivor, the account opening documents, the documents on file at the bank, must specify that. If the account is not an account with right of survivorship, the ownership of the account may not pass to the other person upon your death and your wishes may not be carried out at the time of your death.