



## **JOINT OWNERSHIP WITH RIGHT OF SURVIVORSHIP**

Under the joint ownership with right of survivorship arrangement, ownership of an asset automatically passes to the surviving joint owner at death without probate.

- Disadvantages
  - Excluded Beneficiaries. The asset passes only to the joint owner named on the account. Other beneficiaries of your estate (*i.e.*, other children) are not entitled to any portion of this asset.
  - Unequal Distributions. One beneficiary of your estate may receive more than another beneficiary even though you intended each beneficiary to receive equal shares of your estate.
  - Joint Owner's Access to Asset. The joint owner will have the same right as you do to make withdrawals. A joint owner may abuse this privilege.
  - Exposure to Creditors of Joint Owner. The creditors of a joint owner may seize the joint owner's interest in the asset. The spouse of a joint owner may also seek an interest in such property in a divorce proceeding.
  - Consent of Both Joint Owners. With respect to securities and real estate, both joint owners' approval is required in order to sell or transfer such assets while both joint owners are living.
  - Capital Gains. The joint owner may be required to pay capital gains taxes that could have been avoided if the property were received at death.