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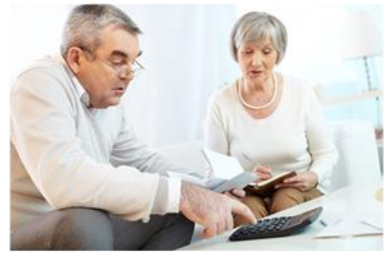

Having a joint account can make financial life easier

When you find your soulmate, fall in love and decide to become life partners, your personal finances – your bank accounts in particular -- take on a whole new dimension. Do you keep separate accounts? Or do you pool everything into a joint account?

There's really no definitive answer. It's a matter of personal preference requiring a conversation with your partner. You could decide to:

- start with separate accounts, but merge them later
- open a joint account right away
- maintain separate accounts
- have both a joint account and separate savings accounts

What the survey says about joint accounts

A 2014 Angus Reid poll done for TD Bank in the U.S. found 42 per cent of couples choose that last option.

The survey showed independence is the top reason why 38 per cent of couples keep individual accounts. More women (43 per cent) than men (34 per cent) cited independence as their main reason for having separate accounts.

If you're a Millennial, marriage is less of an impetus for opening a joint account, according to the TD Bank survey. Millennial couples are pooling their money well before marriage. They're tending to merge their accounts when they're living together, and after they get engaged. Couples 55 and older didn't do that until they got married, the poll found.

Reasons to go joint

There are some good reasons to open a joint account instead of having separate ones.

- everything is in one account, so you both know your total financial resources for paying expenses, spending and saving
- you both know where your money is being spent
- if anything happens to either of you, looking after estate finances will be a lot easier legally

Granted, having a joint account can get messy if you separate or divorce. But generally, it makes your financial life as a couple much easier:

- both of you can set up online banking to pay bills
- either of you can deposit and withdraw funds, and write cheques
- each of you has a debit card

Joint accounts and single incomes

It's even more important to have at least one main, joint account when there's only one income-earner:

- If your income-earning partner dies suddenly, you could find yourself without funds to pay monthly bills, funeral costs or other estate expenses.
- Unless it's a joint account, set up so only one signature is required for transactions, the surviving partner won't have access to the account. (If you've maintained separate accounts, you won't have access to your partner's money, either.)
- If there's no will, you may not be able to claim the money in a double-signature joint account (or separate account) until your partner's estate goes through probate.

POA versus joint accounts

There's another situation in which it's best to be a joint account holder: if you're a caregiver. More adults today are looking after elderly parents. Some people are caregiver for an ill partner. In either case, looking after the person's finances is usually part of being their caregiver. With financial power of attorney (POA), you can only do the person's banking and pay their bills out of their account. Having financial POA is a big responsibility, but your powers are limited.

What if the person has told you to withdraw funds? Perhaps they want you to have the money as a gift, to use for whatever you want or need. It doesn't matter that you're acting in good faith on behalf of the person, and with their consent. You can't take that money out of the account if your name isn't on it. The bank won't take your word for it, and won't let you access the money because of liability issues. To put it simply, they don't know whether you're committing fraud. Being a joint account holder, however, overrides POA. It makes things a lot easier – especially when it comes time to settle the person's estate.

Whatever you decide about your finances and joint accounts, make sure you're both on the same page. That's the most important thing.