# What Happens to Joint Bank Accounts When Someone Dies in New Jersey?



## New Jersey Estate Planning Attorneys Explain Joint Account Rules

Joint bank accounts are common between spouses, parents and adult children, and other family members. Many people assume a last will and testament controls what happens to that money after death. New Jersey law, however, generally treats joint accounts differently from other assets. Understanding this distinction matters, since it can determine who actually receives the funds.

New Jersey's Multiple-Party Deposit Account Act governs how joint bank accounts are treated during life and after death. The law creates a strong presumption in favor of the surviving account holder. That presumption, though, can be challenged under certain circumstances. The account holder's intent at the time the account was created can play a critical role in that analysis.

Our New Jersey estate planning attorneys at Williams Law Group, LLC help families understand what actually happens to a joint account after a co-owner passes away. As a result, we know when the surviving holder truly owns the funds outright. We also know when an estate or another beneficiary may still have a valid claim to pursue.

## Does a Surviving Account Holder Automatically Receive the Money?

In most cases, yes. Under N.J.S.A. 17:16I-5, New Jersey law creates a presumption that a joint account passes directly to the surviving account holder. This happens outside of probate. Probate is the court process used to settle a will and distribute other assets. The funds generally pass outside the probate estate rather than under the terms of the decedent's will.

Under the statute, funds remaining in a joint account at one owner's death belong to the surviving party or parties unless there is clear and convincing evidence that the deceased owner intended something different when the account was created.

This default rule surprises some families, particularly when a will says something different about how assets should be divided. A joint account, in most situations, simply does not follow the instructions written in a will. The account passes by operation of law instead, separate from the probate process entirely. This means the transfer happens automatically under the statute itself.

## How Does Right of Survivorship Actually Work Under New Jersey Law?

Right of survivorship generally means that when one owner of a joint account dies, the remaining funds belong to the surviving owner, subject to the exceptions established under N.J.S.A. 17:16I-5. The survivorship right arises outside the probate process rather than through the decedent's will.

Under N.J.S.A. 17:16I-4, ownership during the account holders' lifetimes generally follows each party's net contributions to the account, unless the account agreement or other clear and convincing evidence shows a different intent. If there is no proof of net contributions, the account generally belongs in equal shares to the parties who have a present right of withdrawal.

This distinction matters because the two ownership rules operate at different times. Contribution-based ownership governs disputes between living account holders. Survivorship governs what happens the moment death occurs instead. Understanding which rule applies can change the outcome of a dispute significantly, especially in contested estate matters.

## Can a Will Change Who Receives a Joint Bank Account?

No, in most circumstances. N.J.S.A. 17:16I-5 expressly provides that a right of survivorship cannot be "changed by will." This right is created through a joint account itself. It means a person cannot simply write a will naming someone else to inherit funds already held jointly with a surviving co-owner.

The survivorship right arises from the account arrangement and the statute, rather than from the decedent's will. A will can direct where other assets go, but generally cannot reach into an already-established joint account.

People planning their estate should understand this limitation clearly. If someone wants a particular joint account to pass differently than survivorship dictates, changing the account itself is usually necessary well in advance. Waiting until a will is drafted to address a joint account is often already too late to matter.

## What Is a Convenience Account and How Does It Differ From a True Joint Account?

Sometimes a person adds another individual to a joint account purely for practical reasons rather than intending to transfer beneficial ownership. A common example involves an aging parent who adds an adult child to a checking account so the child can pay bills or manage transactions.

Under N.J.S.A. 17:16I-5, even when an account is titled jointly, the survivorship presumption can be overcome by clear and convincing evidence that the original account holder intended something different when the account was created. Evidence that the second person was added only to help pay bills or manage finances may therefore become important.

Distinguishing a convenience account from a true joint account often comes down to evidence. That evidence usually addresses why the account was created in the first place. Courts look beyond the account paperwork itself. They examine the full context surrounding the decision to add a second name to the account.

## What Evidence Can Rebut the Survivorship Presumption?

Under N.J.S.A. 17:16I-5, New Jersey law allows the survivorship presumption to be challenged with clear and convincing evidence of a different intent. This is a demanding legal standard. It requires much stronger proof than what is typically needed to win most other civil disputes. Evidence that may become relevant includes:

- **The Original Account Agreement** – Language in the bank's paperwork describing the purpose of the account can support or undermine a survivorship claim.
- **Contribution Records** – Bank statements showing who actually deposited funds into the account can help establish the original owner's intent.
- **Written Communications** – Letters, emails, or notes describing why a name was added to the account can carry significant weight.
- **Testimony About the Circumstances** – Family members, caregivers, or financial advisors present when the account was created can describe what was actually discussed.
- **Evidence of the Account Holder's Health** – When capacity or undue influence is disputed, medical evidence may become relevant to the circumstances surrounding creation of the account.

None of this evidence guarantees a particular outcome by itself. The court considers the evidence as a whole in determining whether the statutory presumption has been overcome.

## Can the Estate or Creditors Claim Funds From a Joint Bank Account?

Yes, under certain limited circumstances. Under N.J.S.A. 17:16I-7, New Jersey law can require a survivor who received joint account funds to account to the estate's personal representative for amounts the decedent beneficially owned immediately before death, to the extent necessary to pay qualifying debts, taxes, and administration expenses when other estate assets are insufficient.

This claim is not automatic or unlimited in scope. The estate's personal representative must receive a written demand from a creditor before bringing this type of proceeding. Only then can that representative pursue the surviving account holder for reimbursement. New Jersey law also imposes a two-year deadline from the date of death for bringing this type of claim forward.

This rule exists to strike a balance between two competing interests. It protects the survivor's general right to the funds. At the same time, it ensures legitimate debts do not simply disappear because assets were held jointly. Personal representatives responsible for administering an estate should understand that this remedy may be available.

## What Steps Should Families Take to Avoid Disputes Over Joint Bank Accounts?

Disputes over joint bank accounts often arise from unclear intentions rather than deliberate wrongdoing. Taking a few deliberate steps when creating or maintaining these accounts can prevent confusion and conflict later on. Families should consider the following practices, ideally well before any dispute ever begins to take shape:

- **Document the Purpose of the Account** – A written record explaining why an account was made joint can help document the original owner's intent if questions arise later.
- **Consider a Power of Attorney Instead** – For purely practical help with bill paying, a power of attorney (a legal document giving someone authority to manage another person's finances) may accomplish the same goal without creating ownership questions.
- **Keep Records of Contributions** – Maintaining clear records of who deposits money into an account supports whatever the family's actual intentions were.
- **Discuss Plans With Other Family Members** – Open conversations about why an account was made joint can reduce surprise and suspicion after a death.
- **Review Accounts With an Estate Planning Attorney** – Periodic reviews help ensure account titling still matches the family's overall estate plan.

Taking these steps will not prevent every possible disagreement between family members down the road. They do, however, give a family a much clearer record to rely on if a dispute ever arises later, which often makes resolution far easier and less costly for everyone.

## How Can a New Jersey Estate Planning Lawyer Help With Joint Bank Account Disputes?

Joint bank account disputes often involve genuine confusion rather than bad intentions on anyone's part. A surviving family member may believe the money is rightfully theirs. Another relative may believe the account was only ever meant for convenience instead. Sorting out the truth requires a careful look at the evidence available to everyone involved.

Our New Jersey estate planning attorneys at Williams Law Group, LLC help families and estate representatives understand their rights regarding joint bank accounts. We review account documentation, contribution history, and the surrounding circumstances. This helps us determine what New Jersey law actually supports in a given situation, before any court ever gets involved.

If you are involved in a dispute over a joint bank account, our firm can help you sort it out. The same is true if you simply want to structure your accounts properly before any question ever arises later. Contact us to discuss your specific situation and the options available under New Jersey law.