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FDIC Update

The lead article our most recent newsletter issue reviewed FDIC limitations. [Vol. 5: Issue 3]

The FDIC (Federal Deposit Insurance Corporation) is an independent agency of the U.S. government that protects against the loss of deposits if an FDIC-insured bank or savings association fails.

We were not the only ones who were concerned about the stability of our financial institutions in these tough economic times. As part of the recent legislative enactments, the “government bail-out,” FDIC limits have been increased, effective October 3, 2008 through December 31, 2009, as follows:

Single Accounts (owned by one person)	\$250,000 per owner
Joint Accounts (two or more persons)	\$250,000 per co-owner
IRAs and certain other retirement accounts	\$250,000 per owner
Trust Accounts specific limitations and requirements	\$250,000 per owner/per beneficiary subject to
Corporation, Partnership and Unincorporated Association Accounts	\$250,000 per entity
Employee Benefit Plan Accounts	\$250,000 for the non-contingent, ascertainable interest of each participant
Government Accounts	\$250,000 per official custodian

These refer to the total of all deposits that the accountholder(s) has at each FDIC-insured bank, assuming that all FDIC requirements are met.

FDIC insurance covers funds in deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit (CDs).

FDIC insurance does not cover other financial products and services that insured banks may offer, such as stocks, bonds, mutual fund shares, life insurance policies, annuities or municipal securities.

Editors Note: The authors are with Berwitz & DiTata LLP, a Garden City based Elder Law firm. This firm concentrates in Estate and Retirement Distribution Planning, Estate Administration and Elder Law.