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Standard Account Types:

Individual – An individual account is a standard brokerage account with only one owner. The account owner can assign a beneficiary and upon death all assets in the brokerage account are passed to the beneficiary.

Joint Tenants with Rights of Survivorship (JTWROS) – A JTWROS account has two or more account owners, with each person having an undivided interest in the entire property. Upon the death of one account owner, remaining account holder(s) the rights to the entire account.

Tenants in Common – a Tenants in Common account has two or more account owners with each person owning a specified percentage of the entire property. Upon the death of one of the account owners, that person's estate holds the right to their percentage of the account. Non-resident aliens are not eligible for this account type.

Community Property – A Community Property account is owned by two married people who acquire property during the marriage (with exceptions). Community Property is based on the theory that each spouse has equal interest in the property acquired by the efforts of either of them during the marriage. Upon divorce or death, the property is treated as belonging half to each spouse. Nine states allow Community Property accounts; ask your professional investment advisor for more information.

Tenants by the Entireties - A Tenants by the Entireties account is owned by two married people. This account type is different from Community Property in that upon the death of one account holder, the other retains the right to the whole account. However, property cannot be sold to satisfy the debts of one owner. Only certain states allow this account type, ask your professional investment advisor for more information.

Guardianship or Conservatorship – An account in which the account holder's assets - usually a minor or a person who can no longer manage his or her own property or financial matters – are managed by a guardian or conservator in which investment decisions are made solely by the court-appointed guardian or conservator.

Retirement Account Types:

Traditional IRA – A Traditional IRA may give you an immediate tax benefit because contributions are often tax deductible. With a Traditional IRA in 2016, up to $5,500 of tax deferred earned income may be placed in the IRA until the account owner reaches 70 ½ years of age. Account owners may also contribute an additional $5,500 a year of earned income to a separate IRA for a non-income earning spouse. Account owners who are age 50 or over are allowed to contribute an additional $1,000. Taxable distributions from an IRA can be taken without penalty starting at age 59 ½ and must be started by April 1st of the year following the year the account owner reaches 70 ½.

Roth IRA – A Roth IRA's tax advantages differ from the Traditional IRA. If eligible for this account, your annual contribution limits are the same but are not tax deductible. However, since annual contributions have already been taxed, these contributions will never be taxed again and earnings can grow tax-free. Finally, the contributed funds can be withdrawn any time you wish and there are no required minimum distributions after age 70 ½.

Rollover IRA – A Rollover IRA is designed as a holding account for funds distributed from an employer's qualified retirement plan such as a 401(k) or 403(b). Moving funds into a Rollover IRA may allow the account owner to return the funds to another employer's qualified retirement plan in the future. To initiate a direct rollover from a qualified retirement plan, please contact your plan administrator.

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SEP IRA – A Simplified Employee Pension (SEP) IRA is for self-employed individuals and for use by small companies for qualified employees to receive employer contributions. Employers may contribute up to 25% of an employee's compensation up to $53,000 for 2016.

Individual 401(k) (for small businesses) – An individual 401(k) retirement plan offers the maximum retirement contribution (limits or levels) for self-employed individuals. This retirement plan has high contribution limits and flexible investment options. The individual 401(k) allows owners to make both employer and employee contributions, providing owners the ability to maximize their personal retirement contributions and their business deductions. Since there are no employees, there are no compliance testing requirements. This is why an individual 401(k) is most suitable for self-employed individuals or business owner with no additional employees other than a spouse or a child. Consider this type of plan if your business ha irregular profit patterns.

Simple (IRA) - A Simple IRA is a retirement program that is easy-to-administer and salary-deferred. It is for employees with an employer match option. Consider a SIMPLE IRA if your business has steady income and your employees want to make contributions to a retirement plan. Employers with 100 or fewer eligible employees who did not maintain another retirement plan are eligible to establish a SIMPLE IRA. Each eligible employee can decide whether or not to participate and how much to contribute. Employer contributions are mandatory. Employee contributions are optional. Employees may contribute up to 100% of compensation or a maximum of $12,500 in 2016. Participants age 50 or over may contribute up to $15,500 for the tax year of 2016.
The employer matches employee salary contributions dollar-for-dollar of up to 3% of compensation (this can be reduced to 1% in any two out of five years), or makes a non-elective contribution of 2% of compensation for all eligible employees (including those who decide not to contribute for themselves.) The compensation cap for determining employer contribution amounts is $265,000 for 2016.

Education Accounts:

Coverdell Education Savings Account -
The Coverdell ESA is a savings plan created for the purpose of paying a student's qualified educational expenses. These can include, but are limited to, tuition, books and uniforms. Like a 529, your money is tax-deferred, allowing your fund to grow faster. Contributions to Coverdell ESA are not tax-deductible. In additional, contributions are allowed for individuals under the age of 18. Distributions from a Coverdell ESA may be tax-free, but they must be used to pay for qualified educational expenses. The maximum contribution per year is $2,000.

Custodial Uniform gifts to Minors Act (UGMA)/Uniform Transfer to Minors Act (UTMA) – With these type of custodial accounts, a minor can own cash or securities that are controlled by a custodian until he or she meets the age of majority in the state the account was set up. All deposits into these accounts are irrevocable gifts to the minor recipient. The Uniform Gift to Minors Act (UGMA) and the Uniform Transfer to Minors Act (UTMA) make it simple to transfer property to a minor without a formal trust and without the restrictions applicable to the guardianship of a minor's property. Assets in the account become an irrevocable gift to the minor under the UGMA or UTMA. Custodial accounts are not tax-deferred. Taxation of earnings will be dependent on the minor's tax rate.

Specialty Accounts:

Trust – A Trust account allows the account owner to transfer assets to one or more recipients, called trustees, who hold legal title to the transferred assets and manage the assets for the benefit of the owner or other named beneficiaries.

Limited Partnership – A Limited Partnership (LP) account is established by two or more individuals who carry on a business for profit. At least one partner bears unlimited liability and additional partners are liable only to the extent of their investment. TD Ameritrade offers accounts for legally established limited partnerships.

Partnership – A Partnership account is established by an association of two or more persons who have an established partnership agreement to carry on, as co-owners, a business for profit. The accounts are not subject to taxation. Instead, the taxes flow through to the individual partners and are reported on their personal income tax returns.

Investment Club – An Investment Club account is established by a group of people who meet regularly and pool their funds to invest in securities. Since most investment clubs are formed as partnerships, their dividends are realized capital gains and losses are passed through for tax reporting by the individual members.

Limited Liability – A Limited Liability account offers some of the most popular benefits of partnership and corporate accounts. It offers the pass through tax status of the partnerships and the limited personal liability of corporations. The liability of the company and its owners is limited to their investment. States that require two or more members are MA, SD and WY. TD Ameritrade offers accounts for legally established LLC's.

Sole Proprietorship – A Sole Proprietorship account is established for a non-incorporated, single-owner business. With this type of account, the owner and the owner's company are considered a single entity for tax and liability purposes.

Corporate (profit or non-profit) – A Corporate account is established by a legal entity, authorized by a state, ordinarily consisting of an association of numerous individuals. A corporation can acquire assets, enter into contracts, sue or be sued, and pay taxes in its own name.

Non-Incorporated – A Non-Incorporated account is established by non-incorporated, non-profit organizations. These are not chartered as corporations, therefore lacking the powers and immunities of a corporate enterprise.
Pension or Profit Plan – Pension or Profit Plan accounts are tax-exempt trusts that can be set-up by a company or self-employed individual for the purpose of retirement.

Small Business Plans – Accounts designed specifically for small businesses, these accounts make it possible for growing companies attract and retain valuable employees by helping owners provide for their financial future.