WHAT IS THE “18 – 65” LAW?

The Massachusetts “18 – 65” law allows any person who is 65 years of age or older or 18 years of age or younger to have a savings account and a checking account at a Massachusetts state-chartered savings bank, co-operative bank or trust company without having to pay a service, maintenance or similar charge.

Accounts covered by the “18 – 65” law are not subject to minimum balance requirements, a charge for a deposit or withdrawal, or fees for the initial order or subsequent refills of the basic line of checks offered by the bank.

However, the “18 – 65” law does allow a state-chartered bank to charge a reasonable fee, determined by the Division of Banks, when a payment has been refused due to insufficient funds (commonly referred to as bouncing a check), or when payment is made from the account despite insufficient funds (commonly known as “bounce protection”).

A full listing of all Massachusetts state-chartered savings banks, co-operative banks and trust companies subject to the “18 – 65” law and their branch locations may be found on the Division of Banks’ website as www.mass.gov/dob. For additional assistance you may also contact the Division’s Consumer Assistance Unit at 617-956-1501.

Benefits of an 18 – 65 Account

- No minimum balance requirements
- No charges for deposits or withdrawals
- No fees for initial or subsequent basic checks associated with an 18 – 65 account
- Limited insufficient funds fee

For More Information

Visit the Division of Banks website, www.mass.gov/dob, for more details about the 18 – 65 accounts and more information about state-chartered banks.
Are all banks located in Massachusetts required to offer the 18 – 65 accounts?

No, the “18 – 65” law specifically states that only Massachusetts state-chartered banks are required to offer these accounts. Banks which are federally-chartered, often designated by the N.A. or F.S.B. after their names, are not required to offer such accounts. Credit unions are also not required to offer 18 – 65 accounts. However, some credit unions and federally-chartered banks may offer similar programs, so you should inquire with your financial institution.

How can I obtain an 18 – 65 account?

You must notify the bank of your eligibility if you wish to open an 18 – 65 account. A bank is required to post notice of the availability of the 18 – 65 account in all banking locations. It must also provide an annual disclosure to all depositors regarding the “18 – 65” law.

How many 18 – 65 accounts can I open?

If you are eligible, you may open ONE checking and ONE savings account. Eligible savings accounts include: regular passbook accounts, statement savings, or NOW accounts.

Can a state-chartered bank impose fees on 18 – 65 accounts for some services?

Yes, a state-chartered bank may charge fees for stop payment orders, wire transfers, certified or bank checks, money orders, deposit items returned, and transactions at electronic branches and through other electronic devices.

What has the Division of Banks determined to be the reasonable fee that can be charged by the bank if I bounced a check or if the bank honors a check even if there are insufficient funds?

The Division has set the fee which a bank can impose on an 18 – 65 account at $5.00 per transaction. This includes overdrafts caused by paper checks or electronic funds transfers such as debit card transactions.

Are ‘premium’ accounts, those based on a higher minimum balance, subject to the “18 – 65” law?

As long as there is another full service, smaller minimum balance savings and checking account offered by the bank, then no, a ‘premium’ account would not be covered by the “18 – 65” law.

Can the bank require a co-signer for my account if I am under 18?

Yes, the bank can require an adult to co-sign on the account opened for a minor.

If I am eligible for an 18 – 65 account, can I open a joint account with my spouse who is not?

Yes, if you are eligible, you may open a joint account with your spouse as a depositor regardless of the age of your spouse.

Official Website of the Commonwealth of Massachusetts | www.mass.gov
Office of Consumer Affairs & Business Regulation | www.mass.gov/ocabr
Division of Banks | www.mass.gov/dob