

Estate Planning Tips for Newlyweds



It's not likely that you and your new spouse registered for a new set of estate planning documents as a wedding gift. However, now that you're married it's very important to evidence your intentions with an updated estate plan.

Update Existing Accounts and Beneficiary Designations

If you have a 401(k), an IRA, life insurance, or any other type of account that has the ability to name a beneficiary, you need to update these items. If you want your spouse to be the beneficiary of these assets should something happen to you, you must update the beneficiary designation to achieve this goal. It's typically an easy form to complete that you can request from the particular account provider. Without making a change, it's possible that your spouse would not inherit from these types of accounts.

Review Asset Titling

If you and your spouse decide to have joint assets together, this too will need to be updated. If one of you own a home and want to add the other to the title, you'll need to update the deed. Adding your spouse as a joint tenant with rights of survivorship on your other assets and accounts can also allow your new spouse to inherit should something happen to you, and vice versa

Create or Update Your Will (or Trust)

If you are like the majority of Americans, you don't have a will. Use this life event as a motivator to create a will. In it you and your spouse can name your beneficiaries and ensure that your legacy goals can be met. If you have an existing will, you should update it to evidence your new spouse and to make any changes to your dispositive provisions.

Estate Strategies

Depending on your situation, a trust may be in order. A trust as your primary estate planning tool allows for probate avoidance, incapacity protection, and potential tax management. Moreover, depending on the size of your new “joint” estate, there may be tax or other reasons to consider trust planning. Work with your financial advisor and your legal counsel to determine whether trust planning may be appropriate for you

Create or Update Powers of Attorney

Another item to consider for your newlywed estate plan is the creation of a power of attorney. Generally, powers of attorney are designed to allow you to appoint someone to make decisions for you should you be unable to do so yourself due to an incapacity. A power of attorney document can be used to address financial matters and/or health care decisions. If you want to make sure your new spouse

can participate in such decisions, you need to name him or her in your power of attorney documents.

Another item to consider, similar to a power of attorney, is a living will. In a living will you direct whether certain medical treatments shall be provided if you are terminally ill or permanently unconscious. While not the greatest honeymoon banter, it may be worth discussing you and your spouse’s position on such decisions. Thereafter, document those decisions in a living will so that both you and your spouse’s desires will be followed.

Just like deciding who folds the clothes the right way, not everything in a new marriage is fun and exciting. Whether you find estate planning fun and exciting or not, you need to update your plan to accommodate your new lifestyle. Failing to do so can leave your legacy goals in jeopardy. ■

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