Wealth Planning **Update**

Don't Let Life Events Derail Your Finances

Life brings changes—some are positive while others can be challenging. Sometimes you have the luxury of planning for transitions in advance, as in the case of marriage or retirement. Other times, they can take you by surprise, such as the death of a spouse or divorce. Even though these events can have a significant impact on your lifestyle, they don't have to derail your finances. Here are some tips to help you retain financial control through four life transitions.

Marriage

Money is one of the most important topics you can discuss with your future spouse. Be open and honest about your finances from the start. Understand how you both feel about saving and spending, and determine your most important financial goals. Addressing these issues before you tie the knot can help avoid disagreements later. These steps can help:

Review your individual financial situations.
This includes income, expenses, assets, liabilities, wills, estate plans, etc. Decide whether you will take joint responsibility for debts. If one partner is wealthier, consider a prenuptial agreement.

Decide how you will structure accounts.
Will you merge finances into joint accounts? Will you name each other as beneficiary on retirement accounts and life insurance policies?

Plan for a name change.
If you change your name, remember to update your Social Security card, driver's license, passport, credit cards, mortgage, insurance policies, and bank and investment accounts. You can also change your name on existing bills and with the U.S. Postal Service.

Compare medical benefits.
If both you and your spouse have medical and other insurance benefits through an employer, you may save money by using family benefits through just one employer.

Divorce

Although you and your spouse are severing ties, there are decisions you will still need to make jointly both during and after a divorce. You can be best prepared by gathering all information relevant to your assets and liabilities, which will be divided between both parties. Be sure you take these steps:

Assess your income and expenses.
If you're on the receiving end of child support or alimony, will it be enough support for you and your family? If you are incurring these expenses, will you need to cut back elsewhere to maintain your lifestyle? Also, understand the tax consequences of income sources.

Review employee benefits.
You may both have life, health and disability insurance policies through your employers but, if not, make sure you remain covered after a divorce. If you have children, decide if they will be covered by your insurance or your spouse's policy.

Update beneficiaries.
Review the beneficiaries you have named on investments, life insurance, retirement plans, etc. Update your will as well.

Plan for taxes.
After a divorce, only one parent can claim children as dependents. Speak to a tax accountant about the timing of the divorce to ensure a fair tax outcome.

Continued

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Michelle specializes in providing customized financial planning solutions to private wealth clients, including business owners, corporate executives and generational wealth. She advises clients on all facets of financial planning, including retirement planning, portfolio design, cash flow analysis, estate planning, charitable giving and risk management. Michelle has developed her expertise over her 20 years in the industry. She is dedicated to working alongside her clients to achieve their specific financial goals.

Death of a spouse

Perhaps the most sudden of the four transitions, the death of a spouse can combine strong emotional challenges with difficult financial decisions. For the surviving spouse, there may be immediate actions to take, such as paying bills. However, few decisions need to be made immediately. Instead, it's a good idea to take time before making life-changing choices, such as selling your home and making new long-term living arrangements. Here are some steps you can take in the weeks after:

Make at least 20 copies of the death certificate.
You will need to send them to the Social Security Administration, credit card companies, your mortgage holder and insurers to verify the death and to either change the name on the accounts or collect money that is due to you.

Meet with professional advisors.
Seek out those who have experience helping widows and widowers. These may include a financial advisor, estate planning attorney and tax accountant.

Consider a corporate fiduciary.
Usually a financial institution, a corporate fiduciary is a neutral third party that carries out the estate settlement, ensuring accuracy and avoiding family disputes.

Update your beneficiaries and your will.
Review your insurance policies, retirement accounts and other investment accounts. In most states, the death of a spouse invalidates a previous will.

Pay your bills.
Avoid falling behind on your bills and running into credit problems.

Retirement

Many people spend years investing and saving for their retirement. Yet when the time comes, the transition can be challenging, especially if you've worked for most of your adult life. Planning can include making lifestyle choices, as well as assessing income, expense and insurance needs (life, health and long-term care).

See our special report, ***A lifetime approach to retirement planning***, which includes a helpful retirement planning checklist that starts well before retirement age.

Managing your finances through any major life event can be easier with the help of trusted advisors. Aggregation tools can also be useful by giving you a consolidated view of all your financial accounts in one place, while also allowing for safekeeping of important documents. Whether the transition is planned or unexpected, you'll be a step ahead with the right tools and people at your side.

Feel confident about your future

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