



5 Critical Financial Issues to Consider in Remarriages

About one-third of U.S. residents ages 15 and older have been married at least twice, according to the U.S. Census Bureau's American Community Survey.¹ Remarriage among American ages 55 and older is on the rise, while their younger counterparts are becoming less likely to have remarried.²

Remarrying later in life can create several complex financial, legal, and emotional matters that couples might want to address before they get married, or as soon after the wedding as possible. If you or someone you love is about to or has recently become part of a blended family, here are five important issues to consider.

1. Be candid about your financial situation. Couples who are marrying for the second (or more) time often have financial baggage. To avoid problems later in the marriage, talk openly and honestly about assets, debts, and obligations you may have. If you find you are not on the same page and are avoiding bringing up complicated issues, ask a financial representative to help mediate your discussion and provide a neutral perspective.

Consider the following questions:

- What financial obligations do we have that we will bring to our marriage?
- What are our credit scores?
- What are our financial obligations (alimony, child support) to our former spouse(s)?
- Will we pool our finances completely, partially, or not at all?
- Where will we live—your place, my place, or a new place we buy together?
- How will our marriage affect college financial aid for our children from previous marriages/relationships?

2. Update life insurance, medical directives, and beneficiary designations. Remember to update these important documents. Otherwise, if you or your spouse dies and beneficiaries were never updated, a significant part of your estate could go directly to a previous spouse, with no legal recourse. If you and your spouse have living wills, health care powers of attorney, or medical directives, review them with your attorney to ensure these documents reflect your current wishes.³

3. Think about how remarriage affects your retirement planning. Remarriage can affect a variety of benefits your partner may be receiving, such as a deceased spouse's social security benefits or pension payments. Some divorce settlements stipulate that retirement benefits be split with an ex-spouse. If you die first, then your current spouse might have to

split survivor benefits with your ex-spouse. Discuss these issues with your spouse and financial representative to make sure that your retirement takes into consideration your change in financial circumstances.⁴

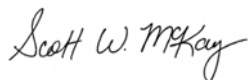
4. Consider drafting a prenuptial (or postnuptial) agreement. While most Americans get married without a prenup, they are essential in remarriages. They make even more sense if you have assets you want to preserve for children from a previous marriage, you own a business you want to keep in the family, or have endured a costly divorce and don't want to risk that again. Start your discussion long before your wedding day. Consider including your adult children in the conversation; this helps with their buy-in. Prenuptial agreements should be done by an experienced attorney; this financial agreement might wind up helping you protect yourselves and your heirs if things don't work out.⁵

5. Discuss estate planning with your investment representative and attorney. Subsequent marriages can affect estate plans and are a common concern among older couples. They are more likely than younger newlyweds to bring property and other valuables into the relationship and they may want them to go to children from a prior marriage.⁶ Talk about your long-term goals, including how you may want to support each other and what you hope to provide your children (biological and step), or to other family members.⁷

Starting over with a new partner is wonderful, even when the new marriage introduces complex financial considerations. It is very important to discuss these issues with your spouse as early as possible to ensure your financial health is protected and to help lay the groundwork for future conversations about money.

We are here to help you each step of the way, so please let us know if you have any questions about these tips or the bigger strategies that are helping guide you to your financial future.

Kind Regards,



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¹ <https://www.census.gov/newsroom/press-releases/2015/cb15-42.html>

² <http://www.pewsocialtrends.org/2014/11/14/chapter-2-the-demographics-of-remarriage/>

³ <https://www.fidelity.com/viewpoints/personal-finance/estate-planning-for-second-marriages>

⁴ <http://www.kiplinger.com/article/retirement/T065-C000-S002-pros-and-cons-of-getting-married-later-in-life.html>

⁵ <http://www.aarp.org/money/estate-planning/info-02-2012/prenuptial-agreement.html>

⁶ <http://www.kiplinger.com/article/retirement/T065-C000-S002-pros-and-cons-of-getting-married-later-in-life.html>

⁷ <https://www.fidelity.com/viewpoints/personal-finance/estate-planning-for-second-marriages>