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When a will doesn't matter

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Have you been divorced? Have you worked at the same company for decades? Have you owned a life insurance policy since before you were married? If you answered yes to any of these questions, then you may want to take a few minutes to verify who is named as the beneficiary on retirement accounts and life insurance policies.

The importance of these documents was reinforced after a recent meeting with someone who said they weren't worried about any of this because they had a will that had been drafted in the last couple of years. Unfortunately, what this person (and I suspect a lot of other people) didn't realize was that the individuals named on their beneficiary designations supersede whatever their will says even if the designation is from decades ago.



Beneficiary designations are very helpful when used properly as they allow assets to be distributed quickly and with minimal hassle (think days versus months for a more formal probate process).

In addition to retirement accounts and life insurance, you can add beneficiaries to real estate deeds and bank accounts. In theory, you might not even have any assets that would pass through a will.

My concern is when the goal backfires and instead of simplifying your finances, you have further complicated them because there is conflict between your estate documents and beneficiary designations. Since I'm not an attorney, I cannot say definitely what happens in every situation, but I can assure you it will make life more complicated for everyone involved.

So how do you avoid this mess? It's simple: Just ask any company you have accounts or policies with to provide the latest beneficiary designations they have on file. Review this information in the context of what you want to see happen, and determine if there are any changes required.



Ideally, if you worked with an attorney to draft your estate documents, they should have provided a letter of instruction indicating who should be named and even the exact wording to use. As with most legal issues a few missing or wrong words can radically change the outcome. Some attorneys and financial advisers even get the appropriate forms for you, further saving you time and hassle.



Make our lobby a "don't miss" destination



The next time you stop by our office you may be interested in visiting our new lobby lending library.

"We're trying to make our lobby be a destination that people enjoy visiting," said Michael Haubrich. "We hope to collect and share reading materials that are not only related to personal finance topics but also hobbies and other topics."

We've got a great start and if you have coffee table, travel or other similar books you'd like to donate to the lending library, please bring them in so we can share them with others.



Friday hours and office closure notice

Our office will be closed on Thursday, September 19 so the FSG team can participate in an off-site team building event. We'll be back on Friday!

Now that summer is officially over, we will resume our regular season schedule. You'll find us here Monday-Thursday 8:30 a.m. to 4:30 p.m. and Friday 8:30 a.m. to 3 p.m.

