

Estate Planning for Your Blended Family

Second or third marriages and blended families, where one or both spouses come to the marriage with children from a prior relationship, can raise interesting and sometimes difficult questions when considering an appropriate estate plan. The primary purpose of estate planning is to insure that, when you pass away, your assets pass to those whom you choose. But, with a blended family, accomplishing this goal presents special challenges.

Some of these challenges can be addressed by you and your spouse. Couples often overlook the importance of changing account ownership and beneficiary designations after marriage. A review of your beneficiary designations with your spouse starts the discussion of how your assets should be distributed and who should be responsible, if you both die or become incapacitated, to insure that your blended family will be financially secure.

Spouses, especially spouses who are striving to bring their families together, may not want to consider the possibility that the family may once again dissolve. However, it is important to give consideration to what each spouse wants and expects to achieve.

It is important to take into consideration the ages of the children you have each brought to the marriage and to ascertain the assets that will be needed by the children in the event of your death. Some couples agree that the assets which each has brought into the marriage will be distributed to the children of that spouse upon their death. In this case, consideration should be given to the distribution of marital or joint assets. Also, such a plan may jeopardize the financial security of the surviving spouse.

Other couples plan so that the surviving spouse inherits all of the assets regardless of their source and agree that the children will benefit, equally or in some other proportion, only after the death of the second spouse. While this plan will satisfy the goal of financially providing for the surviving spouse, it is important to understand that your spouse will be able to change or alter his or her estate plan after your death, thereby effectively disinheriting your children. While you might trust that your spouse will carry out your wishes, remember that other influences may alter the plan, such as: the subsequent remarriage of the surviving spouse, a disruption of the relationship between the survivor and the children of the deceased spouse, illness or incapacity of the survivor, gifting by the survivor, etc.

The most important thing to remember is that your plan must be tailored to meet your individual needs and goals. To accomplish this, it is important to select an attorney who is familiar with intricate estate planning strategies to assist you in establishing a sound and effective plan which will serve the needs of your blended family.