Courtesy of: IntegriGen Wealth Management
2600 Tower Oaks Blvd. Ste. 220
Rockville, MD 20852
Ph:(301)251-1005
Email: samantha@integrigenwealth.com

LIFE EVENTS

MERGING FINANCES AFTER MARRIAGE

Money matters can be a sticking point for many couples. Consider this to-do list as you work with your financial advisor to merge finances and prepare for a future together.

☐ **Gather statements**
Fully disclose your income, savings and debts. Your financial advisor needs to have a clear idea of what your combined balance sheet will look like to establish a foundation for future decisions and goals. Use bank statements, investment statements, credit card statements and other documents to get an overview of your financial situation.

☐ **Talk about financial goals**
What do you want to accomplish both short and long term? Eliminate debt? Save for a house? Plan for retirement? Save for your children's education? An advisor can help you determine how to work toward these goals in light of your risk tolerance levels and time frames. This is especially important as you consider such life-changing events as the birth of a child or, in the case of a second marriage, welcoming stepchildren into the family. Planning for long-term goals is critical to financial harmony.

☐ **Compare your savings and spending habits**
This is often a prickly issue if one partner is a saver and the other is not. Document and discuss these patterns. Be flexible so you can reach a compromise that you will both be comfortable with as a couple.

☐ **Create a budget**
Once you have an understanding of each other's current financial situation and spending habits, it's time to plan for monthly expenditure and savings goals. Many websites have downloadable budget forms you can use. Also ask your advisor for the MFS® infosheet "Creating a Household Budget." It may seem like a tedious task, but if you have a plan on paper that you can review with your advisor, you can manage expectations and avoid conflicts.

Key points

- Be honest with each other and your financial advisor about your current financial situation.
- Budget thoughtfully in light of present and future needs.
- Work toward shared long-term savings goals; review annually with your financial advisor.
- Determine if it is beneficial to combine accounts and insurance coverage.
- Discuss estate planning.

This material should be used as helpful hints only. Each person's situation is different. You should consult your investment professional or other relevant professional before making any decisions.

☐ **Compare insurance plans**
Many working couples compare their employers' health care benefits and decide whether it's better to opt for a family plan or keep individual coverage. Also, auto insurance may offer discounts if combined, along with homeowner's insurance, under the same provider.

☐ **Change your beneficiaries**
This step is always important, and particularly so if this is a second marriage and either of you has children from a previous relationship. First and foremost, create and amend your will, updating guardianship of stepchildren if necessary. You need clarity about who will own your assets should something happen to you. Your advisor can help assemble a team of professionals, including tax and legal advisors, to ensure your estate plan is clear, complete and up to date. In addition, go through your investment accounts, savings accounts, retirement plans, insurance policies (life, health, auto, homeowner's) and other accounts and review your beneficiary designations, amending them where necessary.

☐ **Open a joint bank account**
A joint account is wise for managing combined household expenses and savings. Many couples, however, also maintain separate accounts for personal discretionary spending. As long as you both agree on the purpose of each account, there is no reason why this option shouldn't succeed. Again, be sure to communicate your needs and concerns clearly so there are no misunderstandings down the road.

☐ **Consider a prenuptial agreement**
Many couples find it difficult to broach the topic of a prenuptial agreement because there's nothing romantic about it. In fact, if all you have is an apartment and a paycheck, you don't really need a prenup. However, if you have real estate, a business, children from a previous relationship or significant debts or assets, then you may want to consider one. It is critical to consult a legal professional regarding rules on community property, which address joint ownership of assets and debt brought into the marriage, as well as property acquired after marrying. Think of a prenup as another form of insurance. No one anticipates a car accident, for instance, but when it happens, it's essential to have coverage.

Resources

MFS Heritage Planning® worksheets Your financial advisor can provide you with these helpful planning worksheets for budgeting, reducing debt and organizing your financial records.

Institute for Financial Literacy (financiallit.org) A nonprofit organization that promotes effective financial education and counseling and offers many free planning tools and articles through its website.

MFS does not provide legal, tax or accounting advice. Clients of MFS should obtain their own independent tax and legal advice based on their particular circumstances.

Contact your financial advisor for more information.

MFS Fund Distributors Inc., Boston, MA

HP-LEMARRY-FLY-6/18
25729.7