

FAQ: Are there special estate planning issues for people in second marriages?

Estate planning for a “traditional” family raises many issues. However, these concerns can multiply in a second marriage (according to the Census Bureau, the number of blended families now exceeds the number of traditional families). The most common estate planning concern in a blended family is to ensure that both the surviving spouse and the children are provided for. Stated differently, how does one provide benefits for his or her surviving spouse, while still ensuring that the children ultimately receive an inheritance?

A common option is for the first spouse-to-die to create a Trust, which provides benefits for the surviving spouse for his or her lifetime, with the Trust funds remaining at the surviving spouse’s death to pass to the first spouse’s children (or in some other predetermined manner). In doing so, there are many things to consider, including:

- naming an appropriate Trustee for the Trust,
- preparing the right beneficiary designations for life insurance and retirement accounts,
- reviewing separation agreements with the former spouse, and
- ensuring that assets are properly titled.

It may also be advisable to execute a prenuptial agreement to (among other things) identify and resolve these issues before the marriage.