

Do you know who your beneficiaries are?

You may not realize that some of your most valuable assets will convey directly to your designated beneficiaries, taking precedence over instructions in a will and avoiding a potentially protracted probate process.

Beneficiary designations are needed when you purchase a life insurance policy, buy an annuity contract, or open a retirement savings account such as an employer-sponsored retirement plan or an IRA.

On the account beneficiary forms you can designate primary and secondary beneficiaries who will receive the death benefit and/or inherit the assets in the event of your death.

If you neglect to name a beneficiary for your account, your beneficiary may be determined by federal or state law or by the plan document that governs your account.

Beneficiary designation forms should be completed for all your retirement plans.

Check with your plan custodian/trustee to make sure that the paperwork is on file and keep copies with your other estate planning documents.

Keeping your beneficiary forms up to date is important because the assets in these accounts convey directly to the designated beneficiaries, regardless of what your will says.

Failing to update beneficiary designations when different life events occur may result in your assets going to someone you did not intend.

Any number of situations – marriage, divorce, the birth of a child or grandchild, and the death of a spouse – can change the way you want your assets to be distributed.

Your choice of beneficiaries can have important, long-term consequences.

If you want to take advantage of extending your legacy, you may want to seek guidance by contacting your tax or legal professional.