



## NAMING A BENEFICIARY

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MAY 2009

Although it is important to accumulate adequate funds to support a comfortable retirement, making sure to properly designate the beneficiaries of your retirement accounts should be just as high a priority.

When opening a retirement account, family members, friends, or a spouse are commonly appointed as beneficiaries – those who would receive the account assets upon the event of your death. As time passes, you may focus primarily on growing the balance of the account, with little to no thought of the beneficiaries. In fact, you may not even remember who they are!

It is extremely important to keep beneficiary information updated to insure that your retirement accounts be distributed as you intend. Over time, the facts defining your life and priorities including marital status, number of children, and surviving relatives, could change. Your list of beneficiaries should reflect these changes, whenever applicable. The following examples emphasize this need.

■ Children may be designated as beneficiaries, but another child could be born or adopted at a later time. If the beneficiary designation is not updated, the child may not receive his or her share in the event of a distribution.

■ A charity may be designated as a beneficiary. As the years pass, that particular charity may no longer exist or you may have moved to supporting another.

■ A person appointed as sole beneficiary may pass away.

■ In the event of divorce or remarriage, if the beneficiary is not updated, a former spouse could inherit the retirement assets.

The surviving family member(s) may pursue a legal court decision which may be frustrating and time consuming. The result may be a ruling which does not honor the intent of the deceased.

Spouses commonly name each other as beneficiaries, but many fail to include a provision for simultaneous death. While such an occurrence would be tragic, it is a possibility. Many IRA's allow for contingent beneficiaries to be named. This provides an additional option if your primary beneficiary has passed away.



A trust may be designated as a beneficiary. This option can ensure the intentions of the deceased are fulfilled. Trusts are most commonly established to provide ongoing financial support to a surviving spouse, while also directing a portion of the assets to other individuals or organizations. When considering

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naming a trust as the beneficiary of a retirement account, be sure to first check with your tax advisor and/or Relationship Manager to consider any tax implications which may occur.

Retirement plans with no designated beneficiaries are subject to federal or state law. Federal law requires qualified plans without designated beneficiaries to be inherited by the spouse. This includes profit-sharing plans and 401ks. If the account owner is not married, the account assets are inherited by the deceased's estate.

Many people assume matters regarding retirement funds can be addressed in their will. This is a common misbelief. Even if the will is created after the account has been established, designated beneficiaries take precedence. Retirement accounts are not considered part of an estate, and are therefore not governed by a will unless specifically noted on the designated beneficiary forms.

Your wishes while living are much more difficult to interpret after your death. To ensure that your retirement

accounts are properly distributed, regularly check and update your beneficiary designations. If you have questions or would like to discuss your options, be sure to contact your Relationship Manager.

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## VANTAGE NEWS

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We are pleased to announce a new addition to our team: Maria Saravia.

Maria is often the first person you see when you come to our office. Her previous 12 years of administrative experience have already proven an

asset to our client and team needs. She was drawn to our firm because she felt our values and mission fit well with her own.

When she's not delighting in her family - including two grown, married daughters, Enid and Ciara, and one-year-old grandson, Luke - Maria enjoys gardening and volunteering. She has worked through her church, and various other organizations, as a tutor helping children and adults read English. Maria also finds great fulfillment by writing encouraging, spiritually uplifting messages to the confined or infirm.

Welcome Maria...we are happy to have you with us!

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