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Is Your Beneficiary Information Up to Date?

Ensure your assets, including those in investment accounts, will be paid out according to your wishes

Estate Planning & Beneficiaries

Estate planning is the process of establishing directions regarding the management of one's assets in the event they are unable to do so or pass away. Naming beneficiaries is a key part of estate planning.

A beneficiary is an individual or entity designated to inherit, upon one's death, some or all of their assets, including those in an investment account (e.g., employer-sponsored retirement plan, IRA, life insurance policy).

Considerations & Next Steps

Establishing and maintaining beneficiary information is up to you as the account holder, and the information you provide supersedes what you might have listed in a will. Do your investment accounts name the individuals and/or entities that you wish to leave your benefits to?

It's good habit to review your beneficiary information every few years. You may name a primary beneficiary, as well as secondary or contingent beneficiaries who inherit assets if the primary beneficiary is unable to receive them.

If a minor receives assets through a beneficiary designation, an adult must be named as a responsible party to manage the assets for the minor. If you have children and do not have a will or trust, it is advisable to name your children, regardless of their age, on your accounts' beneficiary options to ensure they will receive the assets.

As you decide whether to update your accounts' beneficiary information, bear in mind major life events such as marriages, divorces, births, deaths, and name and address changes. Also consider the laws in your state regarding beneficiaries; some states require you to name your spouse as a primary beneficiary or grant your spouse the right to a certain percentage of your estate.

If you do not designate a beneficiary on your account, a significant amount of paperwork will need to be completed before funds might transfer to your surviving spouse, your surviving children, or your estate. By not designating a beneficiary, you are allowing someone besides yourself to decide who receives your money and belongings. While no one really wants to think about death, the simple step of reviewing your beneficiary information protects your assets, your legacy, and your loved ones.

To review and update your retirement plan beneficiary information, log in to your online account with your plan recordkeeper or contact their customer service team. Have the following information on hand for any individuals who you wish to designate as a beneficiary: full legal name, address, phone number, Social Security number, and date of birth.

To discuss your estate planning questions and goals, contact your RPA Financial Advisor.

Please note that RPA does not provide legal advice. For more comprehensive estate planning, consult legal counsel as well.

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