

## **Failing to Designate Beneficiaries on Assets**

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There are many ways in which hiring an estate planning attorney can help you to navigate the often treacherous landscape of estate law. One in particular is in understanding the necessity of designating beneficiaries for all of your accounts.

Regardless of how polished your Will might be, or how clearly you have designated and divided your estate among your loved ones, failing to ensure that the right beneficiaries are noted on your retirement and investment accounts could critically disrupt your carefully-laid plans.

If you have created a Will or revocable trust, then you are already taking the right step in securing your family's financial future in the event of your death.

However, what many people do not realize is that much of their wealth is tied up in retirement and investment accounts – each with their own rules for distributing those assets when the owner (you) can no longer claim them.

If you own such accounts – as most people do – it is important that you sit down with a qualified estate planning attorney and ensure that your desires that are outlined in your Will are reflected in the beneficiary designations of your accounts.

- Contact your account holders, especially those of accounts that have been established for quite some time, and inquire about the beneficiaries listed.
- Discuss with your lawyer the proper methods for changing beneficiaries to reflect the desires you have laid out in your Will.
- Include Life Insurance accounts, bank/savings accounts, investment portfolios, 401k accounts, or any account that requires a noted beneficiary. Your estate planning attorney can help you identify those accounts.
- Discuss with your lawyer the possibility of additional taxes that may be added to your assets if beneficiaries are not properly noted.

Often, when people do an inventory of their accounts with beneficiaries, they find beneficiaries listed whom they no longer wish to receive part of their estate (for example, ex-spouses).

In many cases, the beneficiary listed on an account would be given the assets within that account, regardless of what is stated in your Will. Essentially, the laws regarding beneficiary designation often override those regarding the settlement of a Will.

It is, therefore, always a good idea to discuss with your attorney ways in which you can keep your beneficiaries up-to-date at all times, especially when you cross important milestones such as a new marriage, a divorce, the death of a loved one, or the birth of a child.

Whether your estate planning goals are immediate or long-term, a qualified California estate planning attorney will be able to counsel you on the best options available to you to meet your individual needs.