

Please note: This is a transcription so there may be slight grammatical errors.

Rita Kiesler:

No one likes to think about what happens to their assets when they pass away, because it causes people to have to think about their own mortality, which isn't a pleasant thought, but it is a necessary and an important thought, because it ensures that your loved ones are taken care of when you're gone.

A beneficiary is somebody that benefits from receiving something. Making the decision as to whom your beneficiary should be, is a very serious decision, and it's something that you should put a lot of thought into. Most of the time, your beneficiaries will be a spouse, a partner, your children, your parents, or other loved ones. It's also possible that it could be an institution or a charitable organization. Personally, for myself, I have a son with special needs and it got a little bit more complicated for us. We actually needed to consult with an advisor because we need to have a plan in place for him because he may not be able to make the decisions that he needs to if he were to benefit from that money down the line.

Some of the most common assets that would require a beneficiary are your retirement plan, IRA's, life insurance or health savings accounts. If you are a part of a retirement plan at your employer, you will be asked to, more than likely, set up beneficiary information. You would need things such as contact information, social security numbers, current addresses, just so that all of that information is on file, if it's needed later in time. It's also important to note that you can name different beneficiaries for different assets.

For example, you could name one beneficiary on your retirement plan. You could name another beneficiary on your life insurance. You also need to determine to what extent those beneficiaries will receive those assets. In some cases, people will pick a sole beneficiary. There's primary and secondary beneficiaries. There's different percentages that each of those beneficiaries could receive. So, you're going to also want to make sure that you have that information figured out before you designate those people or entities.

If you want to make sure that your loved ones are well taken care of in your passing, then having your beneficiary set up is one of the best things that you can do for them. It will make sure that your intentions are carried out and that they don't have to worry about these decisions afterwards. If beneficiary designations have not been set up, or if they cannot be located at the time of your passing, it can become an emotional and a financial mess.

Emotionally, a loved one might feel wronged, or they may wonder why you didn't think of them. Financially, if you have not set up beneficiary designations, your assets could end up tied up in the courts. If you have not taken the time to document your beneficiaries, retirement plan providers have procedures in place to determine a hierarchy amongst your family members. If there are not family members to take into account, then your will we'll be looked to, in terms of dispersing those assets.

The end of the year can be a great time to reflect and revisit your beneficiary designations. Perhaps there's things that changed over the year, such as major life events, a marriage, the birth, of a child that would cause you to look forward and revisit that information and make new choices or keep things the same. Safeguarding your wishes is one of the most important New Year's resolutions you can make.

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