

## When Your Will Doesn't Control Who Gets Your Money

According to the Wall Street Journal, when Jeffrey Rolison signed up for the 401k plan of his employer Proctor and Gamble in 1989, he was required to name a beneficiary. In handwriting, he named his then girlfriend Margaret Sjostedt. They broke up the following year and although Jeffery continued to contribute to his 401k each year, he neglected to change the beneficiary to someone other than his former girlfriend. Jeffery died in 2015 and now, almost 40 years after they broke up, she stands to inherit his \$1 million plus retirement account.

Jeffery left no children, but his surviving brothers were shocked to learn that the bulk of their brother's estate was going to his former girlfriend from 40 years earlier. The brothers have been fighting with Sjostedt ever since. When he died in 2015 the account was worth \$750,000 now it is worth substantially over \$1 million. The courts recently ruled in favor of the former girlfriend.

This should serve as a reminder that no matter what your will or your trust provides, those documents do not control any assets that have their own beneficiary designation. In other words, if your will leaves all your assets to your daughter but your life insurance policy or your retirement account designation names your son as the beneficiary then your son will inherit those assets.

People will often visit an estate planning attorney and have their documents drafted and executed; however, one must make sure that all assets are titled correctly and that beneficiary designations (both primary and contingent) are correct. Otherwise, your assets may not go to the people that you intended them to go to.

What is interesting, many states have enacted laws that will automatically revoke beneficiary designations of a former spouse following a divorce. That means if you get divorced and you neglect to remove your former spouse as the beneficiary, they will no longer be entitled to inherit your retirement account or life insurance policy unless you subsequently ratify that designation.

Singer Wealth Advisors is an SEC registered investment advisory firm. Registration with the SEC does not imply a certain level of skill or training. Investing involves risk. Discuss with your financial/tax professionals before investing. Past performance does not guarantee future results. Material provided for informational purposes only.