



# DON'T TAX YOURSELF

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## The Second Time Around: Estate Planning for Blended Families

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**Estate planning** is about formalizing your intentions for what will happen when you pass away. For those in a second marriage with children from a prior relationship, it is even more important to spell out your intentions and plan properly for your loved ones. Working with an estate planning attorney can help families facilitate a productive discussion and devise a plan that can promote harmony between different members of the family.

There are many questions that you should consider if you have a second spouse and children from a prior marriage, some of which might include:

- Do you want your children to receive some of your assets immediately upon your death, or wait until your spouse passes away?
- Which assets do you want your children to receive?
- Would funding an insurance policy be a way to provide liquid assets to your children upon your death, while holding other assets for the benefit of your spouse?

It takes time to consider whether you plan to commingle your assets with your second spouse, or plan separately. Oftentimes, if both spouses enter the marriage on equal footing, they may use a unified plan to provide for both sets of children from each of their prior marriages, with each child receiving an equal share of their joint estates upon the surviving spouse's death.

A trust can be an essential part of a thoughtfully crafted plan. A trustee can hold assets on behalf of a beneficiary and the trust can specify when and how a beneficiary receives income and/or principal. A trust can designate an independent trustee to provide support during the second spouse's lifetime, while allowing the remainder of the property to pass to children from a prior marriage, or to other beneficiaries.

Lastly, personal items with sentimental value can be a source of conflict between family members. For example, a

second spouse and children may fight over your artwork; the children are attached to a particular piece of art, but the art is displayed at the house the second spouse inherits. Good estate planning can avoid conflict and ensure that after your death, your loved ones are not burdened with sorting out these matters on their own.