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THE SECOND MARRIAGE DILEMMA

While most of us want to walk down the aisle only once in our lives, the fact is, nearly 50% of marriages end in divorce, and many take that walk again. Second marriages can often be more complicated, especially when children from the previous marriage are included. From an estate planning perspective, this situation can be emotionally complicated for the spouse with children. The dilemma being: When I pass away, should I leave my property to my spouse or my children? No matter what the decision, someone always seems to get the short end of the estate stick. It is one of the most emotionally charged decisions a person can make.

Typically, spouses tend to feel a priority towards each other. Without careful planning this can lead to a nightmare for loved ones. Second marriage clients should be advised of the consequences, which may occur depending on which spouse dies first, and whose children are living.

There are a number of practical solutions to the second marriage situation. In fact, second marriages can turn into opportunities: (1) life insurance policies can be designated to the spouse or children with the remainder of the estate being left to the other; (2) since income taxes can be deferred when a spouse elects to roll over a retirement account, retirement accounts are good assets to leave to the surviving spouse with other assets being left to the children; and (3) gifts of cash or other property can be provided to the spouse or children with the remainder of the estate being left to the other. These are just a few of the options available in second marriage situations and some may not be optimal for every case.

Estate planning for second marriage clients can be a delicate situation. Meet with an experienced attorney to fashion your estate plan so that neither the surviving spouse nor the children are forgotten.

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