

Second marriages pose challenges in estate and benefits planning

By Linda T. Cammuso

Second marriages are as common in the 50 plus population as they are with younger married couples. Couples who have remarried are often unaware of the legal and financial implications of their marriage.



Legal Briefs

There are significant estate planning consequences to remarriage. Under Massachusetts law, marriage invalidates an existing will. This means, for example, that if a person established a will leaving his assets to his children, the will becomes null and void the moment he remarries.

The default under Massachusetts law in the absence of a valid will is that assets go half to the spouse, and half to the children. This result may be undesirable, especially if the surviving spouse has her own children. Children from prior marriages add a level of complexity to the planning process. In a traditional first marriage scenario, spouses usually leave assets to each other, and then to the children when they are both gone. However, when each spouse has his or her own children from a prior marriage or relationship, they may hesitate to leave the assets to each other because there is no guarantee that the surviving spouse will include the

children of the deceased spouse in his or her will.

These couples require special estate planning solutions, such as trusts that would allow the surviving spouse to benefit from the assets and then direct the assets to the couple's respective children upon both their deaths. Spouses in a second marriage should be aware that if they own assets jointly with another person, such as a spouse or a child, the joint owner will inherit that asset entirely upon death, regardless of what their wills or trusts provide. Spouses should also pay attention to beneficiary designations on their retirement plans and life insurance policies, as these are often overlooked.



As spouses in second marriages age, they should have health care proxies and powers of attorney in the event of incapacity. Second spouses and children often do not see eye-to-eye on healthcare and financial matters, so it is crucial that each spouse designate a decision-maker to avoid stressful and costly disagreements among family members.

Health and financial benefits is another area where remarriage has a significant, and frequently overlooked, effect. Spouses who wish to keep their assets and liabilities separate may be shocked to discover that both spouses' assets are counted for Medicaid/MassHealth purposes. If one spouse needs long-term Medicaid ben-

efits in a nursing home setting, the other spouse's assets must be included in private pay spend down. Prenuptial agreements or flat-out refusal by a spouse to spend his or her assets does not work, as Massachusetts law imposes a support obligation on spouses for each other's basic needs, including health care. Planning ahead of time is crucial to protect each spouse's assets.

Other benefits that may be affected by remarriage include Veterans pensions and Social Security benefits that one may be receiving as a widowed or former spouse.

The bottom line is that spouses in second marriages must plan ahead to protect themselves and their respective families.

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► Retirement

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all the more important so their retirement security isn't ruined by a medical issue.

Employer-paid disability insurance is required in most states. But confirm that your employer offers long-term disability coverage — not just short-term, also known as sick leave. The typical long-term disability group plan covers up to 60 per-

cent of salary.

If your employer doesn't offer long-term coverage or if you're self-employed, strongly consider an individual plan. The cost varies widely depending on age and health but can easily approach \$100 a month. It might be worth it.

4. Make long-term care insurance a priority — Long-term care insurance is a critical part of single people's retirement plans because there's likely no one else to take care of them. As opposed to long-term dis-

ability insurance, long-term care coverage helps pay for professional care when you can no longer perform the regular activities of daily living, such as bathing, dressing and eating.

It can run \$2,000 a year or more if you wait until your 60s to get it, less if you get it earlier.

On the bright side, life insurance is an insurance you can probably forego if you

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Pre-planning guarantees your wishes are met.

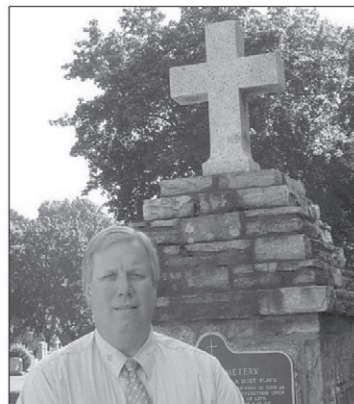


The loss of a loved one, young, old, expected, or unexpected is traumatic. Making the final arrangements with your funeral home and choosing the cemetery and the final resting place adds more trauma to a very sensitive time. At that time we are asked to make decisions very quickly. All this being said, we can be of assistance in the pre-planning portion and extend to all families an opportunity to benefit from our experience along with easy payment plans and burial options.



The benefits of pre-planning are significant. Our office will be happy to assist you in your family pre-planning process. Pre-planning is practical and economical.

- Spares loved ones the agony of making hasty decisions while under great emotional stress
- Avoids inflation by purchasing at today's prices
- Avoids the tendency for emotional "overspending"
- Selections are less limited than in the future
- Affords the piece of mind that comes with the knowledge that everything will be handled according to your wishes



A message from the director...

I have worked with many families during the difficult time of the loss of a loved one and know the importance of pre-planning. You will reduce your family's anxiety and make sure your own wishes are carried out by scheduling a no-obligation, information meeting with my office.

— Robert Ackerman, Director

St. John's Cemetery and Mausoleum

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