Abstract: Every year, a substantial percentage of weddings aren't first-time nuptials but second (or subsequent) marriages. This brief article offers four tips to help such partners better manage the situation.

4 financial planning tips for second marriages

Every year, a substantial percentage of weddings aren't first-time nuptials but second (or subsequent) marriages. Here are four tips to help such partners better manage the situation:

1. Take inventory. Identify the assets and liabilities each person brings to the union. If one spouse has significant debt, how will the couple manage it? Or if one spouse holds significant savings or investments, both partners should decide whether ownership changes should occur.

2. Complete any paperwork. For instance, if a former spouse remains listed as the beneficiary of a retirement account, he or she may ultimately receive the asset — even if the account owner intended it to go to a new spouse. (Note: In community property states, a former spouse may still be entitled to a portion of the account.) Therefore, beneficiary change documents may need to be executed.

3. Consider executing new wills. This is particularly true if one spouse would like children from a previous marriage to receive, for example, a pre-existing business or personal property. If these wishes aren't spelled out, the assets may not pass down as intended.

4. Seek professional advice. Laws regarding divorce and remarriage vary by state. Consult an attorney and contact our firm to discuss tax and financial ramifications.