

Learn more at www.AgingWisdom.com

Estate planning for blended families



Deciding how to divide assets among one's children is often challenging. The challenges only multiply in a step- or blended family situation. Today, about one-quarter of all marriages include stepchildren. Among remarried couples, almost two-thirds involve children from a previous relationship. Blended families can look like any other family, but the dynamics are very different, emotionally and legally.

Traditionally, for a couple with children, when one spouse dies, all the assets of the couple go to the surviving spouse, presumably to help them with living costs and medical and supportive care in their elder years. Upon the death of that spouse, the remaining resources get divided among the children, per the original documents prepared by the couple.

In a blended family, there may be two sets of children, or more, and the surviving spouse may be relatively young. Age affects how long children from a first union might have to wait for their share of an inheritance. Tensions can arise if the stepparent remarries. Or if the stepchildren feel the stepparent is overspending assets or not maintaining the house. Plus, nothing in a previously written will can stop a surviving spouse from changing the terms later. Indeed, stepchildren can be written out in an update.

Options to consider

- A trust is one way to direct the flow of funds for years after you pass away. Hire a professional to prepare and to administer it. Having third-party administration helps eliminate potential conflict among siblings and families.
- Establish a life insurance policy. Name how much each child, as beneficiary, is to receive. Or, name the stepparent as beneficiary and specify the other assets to be immediately divided as you wish. With this arrangement, no ongoing contact or cooperation is required between the surviving spouse and the stepchildren.
- Give gifts while you are still alive. There are ways to provide for first-union children, or all children, before you pass away. Then leave the remainder to the surviving spouse.

These are complicated arrangements with significant tax implications. Be sure to consult with an estate-planning attorney who has experience dealing with step- and blended families.

A successful, harmonious transfer of wealth is most likely if you can meet face to face to talk with your heirs about the decisions you have made. You might do this one on one or with everyone together. Or have separate meetings with children from each union. If this does not appeal, consider writing a letter (to be read now or upon your passing) that explains your thoughts and asks for everyone's cooperation and understanding.

**Are there tensions in your step- or blended family? We can help.
Give us a call at 206-456-5155.**



Aging Wisdom —
Your Experts in
Aging Well

206-456-5155

Aging Wisdom supports individuals and families in King and south Snohomish Counties as they plan for aging.



Learn more