



LGT
FINANCIAL FOCUS



Lane Gorman Trubitt, L.L.P.
Accountants & Advisors

Affairs of Estate: Beneficiary Designations Vs. Wills

It is a common misconception that a will is the final authority when it comes to indentifying beneficiaries, but this is not the case. In fact, the beneficiaries you have designated on your insurance, banking, and investment accounts actually wins out over any beneficiaries stipulated in a will.

It is even more important to maintain your beneficiary designations than it is to maintain your will, but for many people this is an afterthought. Not designating a beneficiary for your various accounts can often lead to those accounts entering probate and being lumped together with your estate and dispensed by the court. In this situation, not only are you deferring to the judgment of the court for the distribution of your assets, but your assets may be subject to additional taxes as well.

As your life changes it's vital that your beneficiary designations remain up-to-date. It's often recommended that at least two contingent beneficiaries be named for every primary. This can prove to be an invaluable step if your primary and first contingent should pass way before or simultaneously with you.

It is a good idea to review all of your beneficiary designations for your various accounts at least once a year. If you have any questions about this article or would like assistance in reviewing or changing your beneficiary designations on any of your accounts contact your trusted advisor at Lane Gorman Trubitt, L.L.P. by calling 214-871-7500.

Jason Leary
Manager of Practice Growth

Lane Gorman Trubitt, L.L.P.