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REACH

Avoid family strife: Discuss how you intend to have your assets distributed

You may be reaching a point in your life when you wonder about the impact you have had on your family, your friends and the greater community. In fact, you may feel strongly that you can still make a difference in the lives of your family and others. The question is how? And what form will your legacy take? One way to make a difference is by gifting money to children, grandchildren and other family members.

While you hope that the assets you leave to family members will help create meaningful changes in their lives, you need to be aware that doing so may also result in unintended consequences. It may cause hurt feelings among family members who feel that their share of the family legacy was insufficient. While you have no guarantees that your generosity won't cause a rift among family members, there are **steps you can take to minimize the potential for intra-family strife.**

✓ Have an open discussion with family members

It really helps to talk openly about your beneficiary choices with your family members. Explain your thinking and listen carefully to any concerns they may have about your plans. You want your wishes understood, and you want to be able to resolve any areas of potential conflict before you pass.

✓ Start with an up-to-date will

Take another look at your will if you have not reviewed it recently. A current will helps ensure that your property actually passes to the people you choose to receive your assets. In general, you should review your will whenever a major life event occurs – the birth of a grandchild, the divorce or remarriage of a child or the death of a loved one.

✓ Review accounts that allow you to name a beneficiary

Certain accounts require you to name a beneficiary – life insurance policies, retirement plan accounts, company stock or stock options, for example. Naming beneficiaries for these accounts and keeping them updated helps avoid potential problems down the road.

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KEY ACCOUNTS TO REVIEW



Life insurance policies. You are generally required to name a beneficiary or beneficiaries when you first buy a life insurance policy. The policy's proceeds are paid to the person or persons you named as beneficiaries in your policy. That is the case even if you name someone else in your will to receive the proceeds of your life insurance policy.



Retirement plan accounts. If you participate in an employer-provided retirement plan, you are required to name a beneficiary of that account when you first join the plan. If you are married, you must name your spouse as the primary beneficiary. The exception is if the spouse signs the required type of consent waiving their rights to the plan's assets.

You should review – and update when necessary – your beneficiary designations every time there has been a marriage, a divorce or the death of a named beneficiary in your family. If you don't, you may be creating a future set of problems. For example, if you named your spouse as beneficiary of your retirement plan and later divorce that spouse, they may be entitled to receive your plan assets when you die if you fail to change your beneficiary designation.



Company stock. If you bought company stock through an employee stock purchase plan, you may be able to designate a beneficiary for that stock. Moreover, you may be able to name a beneficiary to exercise any stock options you have within a specified period after your death.

The insights of an experienced financial professional can be essential if you are uncertain as to the optimal methods to pass on your assets in an equitable way.



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