



**FINANCIAL WAYPOINT SERIES**

The Money Side  
of Getting Married





# An engagement ring is slid onto your finger,

and countless life changes are set into motion. While financial concerns are not likely at the top of your list, you should not overlook them. Discussing financial issues early may strengthen your entire relationship as a married couple. These occasions start well before your wedding day and will last until death do you part.





## Planning for the Wedding Day

This is not a wedding planner. Figuring out that event is your responsibility. The most important thing to remember here is simply to make a budget.

**Nearly every component of your wedding will come at a cost.** Negotiating the decisions surrounding these costs may be a great early test of a couple's communication skills. Once you have a total figure, the next challenge is to stick to your budget.

This may be far more difficult than the prior step, but there is a trick to help you maintain sanity. You should set up an overflow fund. As in all areas of life, your wedding day is sure to include a few surprises. Some planners recommend setting aside an additional 20% of your original wedding budget to cover the unknowns. Do not plan on accessing this money, but do have it available. Remember that avoiding budget overages could leave you with extra money to upgrade your honeymoon, or make a larger down payment on your marital home.

## Talk about Money

Each partner in a marriage should feel secure in where they stand together financially. The couple should talk about their combined goals and how they will reach them together.

**Everyone has a past with money.** Almost nobody has avoided every questionable decision and the potential poor management of credit. Some people are natural savers, while others may have a tendency to spend more freely. After acknowledging





these traits, a couple can work to define a set of financial values and practices that can work for everyone. What was once “yours and mine” is now “ours” forever. That includes possible debts that you can now handle together.

It may be a good idea to work with a counselor (financial or otherwise) to guide a couple through the trickier conversations. This is especially true if they find that emotions run high when financial topics arise.

## Merge your Finances

Joining a couple’s finances will look different in various situations, and there is no "right way" for everyone.

**If two people have similar finances before marriage, it might make sense to open a joint account.** This account can receive all family income and pay the family's expenses. If spouses do not combine their finances, there are still solutions. They can keep everything separate and then agree on who pays which bills from which accounts.

**For those who do not believe that complete financial separation or total fusion is the answer, there are other plans that can work.** Some couples keep their finances separate but contribute equally to a single joint account, which pays for joint expenses. All other funds for discretionary spending are up to the individual. Another approach is to have each partner contribute the same percentage of their income to the joint account, rather than the same dollar amount.

No matter what system you choose or design, you should have a system and understanding for your financial life together.





## Learn the Benefits

There are financial perks that are only available to those who are married in the United States.

**These may include the following:**

- The right to make tax-deductible contributions to a spousal IRA.
- The ability to receive disability, Medicare, or Social Security benefits for a spouse.
- Tax benefits associated with filing jointly.

Beyond these, there are also advantages in the areas of estate planning and inheritance.

If you are employed, consider updating the tax withholding from your paychecks to reflect your new marital status. Don't forget to contact your head of human resources.





# Post-Honeymoon Checklist

There are things that newlyweds should attend to most immediately after exchanging vows.

## **Paying for Child Care**

- At your Workplace
  - Update your emergency contact
  - Adjust your benefits package
    - Medical
    - Dental
    - Vision
    - Other
  - Update your retirement plan beneficiary designation
- With your Attorney
  - Update your wills and trust documents
- With your Financial Advisor
  - Review your insurance coverage needs





- Update your beneficiary designations
  - Insurance policies
  - Investment accounts
- Update your financial plan.

Much like your new life together, your financial life will be a long journey. If you approach it with a spirit of sharing and cooperation, doing the right things early can set you up for many fruitful years ahead.

### **QUESTIONS?**

If you would like more in-depth information specific to your individual circumstances please feel free to reach out:

help@upleftfinancial.com or (360) 850-9713

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