

# Life Events



## Marriage

### Second Marriage Issues

It is not unusual that one or both of the parties planning to marry are approaching marriage for the second time. There are pluses and minuses to this new situation. On the plus side, individuals entering a second marriage tend to be somewhat older and if not necessarily 'wiser' than first-time couples, they have a good idea of their needs, wants, and are often in a more secure financial situation. On the minus side, there can be complications regarding previous spouses and children that require careful consideration when planning the domestic situation (custody, etc.) and estate plans.

### Children and Custody

If you or your new spouse have minor children from a previous marriage it is assumed under law that those children will be properly provided for. Child support requirements are generally based on federal/provincial guidelines relating to the relative income of the parents. When becoming remarried, the income of the new spouse is typically not an issue unless the basic support award had been reduced. When minor children are being introduced to a new home life, it is strongly recommended that legal counsel be retained to ensure that the new arrangement is in their best interests, with the agreement of any other parent and compliant with legal guidelines.

### Spousal Support

Unlike child support, spousal support is not subject to specific government guidelines and as such each case needs to be judged on the facts. As a general rule, remarriage is not grounds for a person to reduce their spousal payment responsibilities to a former spouse. However, the remarriage of the recipient of the spousal support may result in a reduction, suspension or even elimination in spousal support payments depending on the specific situation.

### Insurance

If you previously had a spouse it is often the case that you had life insurance on your life with the former spouse as the beneficiary. This may be the case with both Group Life Insurance through your employer and Individual Life Insurance. If you intend your new spouse to be your insurance beneficiary, you need to review your life insurance policies, both group and individual, to ensure the changes are made. Although there have been some interesting court decisions on this matter, in almost all cases it has been determined that the stated beneficiary will receive the insurance proceeds. That means if no action is taken your former spouse will probably receive your life insurance benefits if he or she is the named beneficiary.

## Estate Planning

When becoming remarried, it should be a primary objective to renew your Will. If your former spouse was the beneficiary or part beneficiary of your Will, the granting of a divorce will nullify that. Consequently, you will need to consider how you want your estate to be distributed. Your remarriage may be reason to reconsider how your children will be dealt with in your Will as well. Finally, there may be other assets with your former spouse as the named beneficiary including RRSPs, RRIFs and Pensions and you need to think about new beneficiary designations.

Information contained herein is provided for information purposes only and should not be relied upon exclusively as estate, tax planning or investment advice, nor should it be construed as being specific to an individual's investment objectives, financial situation or particular needs. You should always obtain professional advice before acting on the basis of material contained herein. While Dynamic Funds® will endeavor to update this information from time to time as needed, information can change without notice and Dynamic Funds® does not guarantee the accuracy or completeness of this information, including information provided by third parties, at any particular time, nor does it accept any responsibility for any loss or damage that results from any information contained herein.

© 2014 DundeeWealth Inc. Reproduction in whole or in part of this content without the written consent of the copyright owner is forbidden. Dynamic Funds® is a registered trademark of Dundee Corp. used under license. Dynamic Funds® is a division of Goodman & Company, Investment Counsel Ltd. Snapshots™ is a trademark of Dundee Corp. used under license.

This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein.

RBC Dominion Securities Inc.® and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member CIPF. ®Registered trademark of Royal Bank of Canada. Used under license. RBC Dominion Securities is a registered trademark of Royal Bank of Canada. Used under licence. ©Copyright 2014.

Copyright (C) 2014 Barbara Reid's Wealth Management Group of RBC Dominion Securities All rights reserved.