



Wealth Management
Dominion Securities



Pavan Stevenson Wealth

Leroy Pavan
Investment Advisor
403-317-4330
leroy.pavan@rbc.com

Daryll Stevenson
Investment Advisor
403-317-4318
daryll.stevenson@rbc.com

Aric Pavan
Investment Advisor
403-317-4348
aric.pavan@rbc.com

www.pavanstevenson.com

Life events: Marriage

Financial checklist

Getting married will be one of the most exciting and satisfying changes in your life. Proceeding through life as a couple will provide companionship and possibly the satisfaction of creating a family. However, there are some practical issues that need to be addressed for both of you during this transition. Your advisor can certainly assist you in dealing with these issues in an efficient and timely fashion. Some of the questions to ask your advisor are:

- What are the differences between being married and living together?
- What is a prenuptial agreement and do we need one?
- How should we own our property and savings and investments as a couple?
- What are the implications of changing my name?
- How will being married affect our group insurance coverage?
- Do we need to reconsider my individual insurance coverage?
- What will our combined financial plan look like?
- How will our marriage affect our investment plans?

Saving, budgeting and buying as a couple

You may have been used to managing your financial affairs as an individual but now you will be approaching your finances as part of a couple. This will represent some challenges but also opportunities.

Saving

There are pros and cons of combining your financial affairs.

Pros:

- It's easier to manage one joint account. For example, it's easier to keep track of household bills. You can avoid deciding who pays what bills.
- You may be able to save on banking fees if you have fewer accounts.
- You may be able to earn a higher interest rate if you combine your bank-held savings.
- You may be able to pay off debt faster if you combine your resources.

Budgeting and financial compatibility

Regardless of whether you decide to combine your finances or maintain separate accounts, you should still take some time to create a family budget. Having a solid understanding of where your money is going is essential for meeting current and long-term financial goals. As well, financial issues are often the major source of stress in a relationship and working with your partner to create a realistic budget should be a source of harmony and peace of mind.

You and your spouse will probably have different attitudes towards money and financial management. This is to be expected but it is important that you understand each other's feelings. Coming to agreement on how you will approach your family finances should prevent misunderstandings.

Buying

Now that you are planning to get married you will need to consider how your current and future assets will be owned by you and your spouse. There are two basic structures of joint ownership and both have their advantages and disadvantages. Here is a general overview. A discussion with your financial advisor and/or lawyer is certainly recommended to ensure that your affairs are structured in a way that will best deal with your current and ongoing situation.

Joint tenancy with right of survivorship (JTWROS)

This is a very common and popular way for couples to own family assets. As the name implies, the ownership is 'joint' so that each party has an undivided but equal share in the property. One of the primary advantages of this ownership structure is the 'right of survivorship' which in practical terms means that if one of the parties dies the other automatically assumes the ownership, and the asset does not flow through the deceased's estate which can cause complications. This legal approach is ordinarily used for the family home but it can similarly be used for other assets such as non-registered investment accounts and chequing/savings accounts.

Tenancy in common

Ownership of assets as tenants in common is similar to a partnership arrangement where each party (or tenant) owns a specific share of the asset outright and may pass that share on to other parties through a Will. There can be cases where couples may decide that this is the preferable structure for them given their specific needs and goals.

Your future outlook

Whether or not you decide to combine your finances, it is important to think about how your personal and financial situation will change as you proceed through life as a couple. To help you through this process, complete this personal and financial log book and provide a copy to your financial advisor.