



# *Prenuptial Agreements...*

## **Not just for the rich and famous anymore.**

Getting married is an exciting life event. But in today's society with a rise in blended families, later in life marriages, and high divorce rates, more couples are choosing to protect their futures with a prenuptial (antenuptial) agreement. A prenuptial (before the marriage) agreement can determine spousal rights to property in the event of death or divorce. Commonly thought to be only for the rich and famous, prenuptial and postnuptial agreements can be an essential planning tool for those with significant property or children from other relationships. Having a well-drafted prenuptial agreement can put both parties on the same page and prevent future conflict. Here are six situations where a prenuptial agreement may be beneficial.

1. **A blended family will be created.** Estate planning is very important for blended families. And a prenuptial agreement can be a part of this planning. If either party has a child from a previous relationship a prenuptial agreement can protect an inheritance for that child.
2. **One, or both parties, is coming into the marriage with property.** Property owned prior to marriage is treated as "non-marital" for purposes of dividing property in a divorce. Yet it can be a long and expensive process to prove and document non-marital property at the time of divorce. If either party is coming into the marriage with property (including real estate, retirement accounts, etc.) a prenuptial agreement can give each party a record of what existed at the time of the marriage.
3. **There's a significant difference in net worth between the parties.** If one party is coming into the marriage with significant debt, while the other party has assets, a prenuptial agreement can set some ground rules on how to deal with the discrepancy in the case of divorce.
4. **Either part has, or expects to, receive an inheritance.** An inheritance, similar to property owned prior to the marriage, can be treated as "non-marital" in a divorce. A prenuptial agreement can address the treatment of an inheritance.
5. **A business is involved.** If either party owns a business, a prenuptial agreement can protect both parties and the business in the case of the death or divorce. Issues such as valuation of the business, compensation to the non-owner spouse, and the continuation of the business can be addressed in a prenuptial agreement.
6. **One party will be "giving something up" as part of the marriage.** If one spouse will be leaving the workforce to raise children, or if one spouse will be moving far from home upon the marriage, a prenuptial agreement can provide some safeguards if things don't go as planned.

While nobody wants to think about death and divorce while planning a wedding, taking the time to do so now can save you money and heartache later, while protecting those you love the most. Before you get married it is important to understand the legal rights and responsibilities that go along with it. If you are considering a prenuptial agreement, be sure to work with a lawyer who is knowledgeable in both family law and estate planning.