MARINER

Financial Strategies for Life-Changing Events

Life can throw us curveballs when we least expect it. You may have experienced a divorce, loss of a child or loss of a spouse. Or perhaps you have gone through a life change, such as the birth or adoption of a child, marriage or sending an adult child to college. No matter what life brings your way, our wealth advisors are here to listen and offer advice to help ease the financial stress that these events can bring.

Surround Yourself With Support

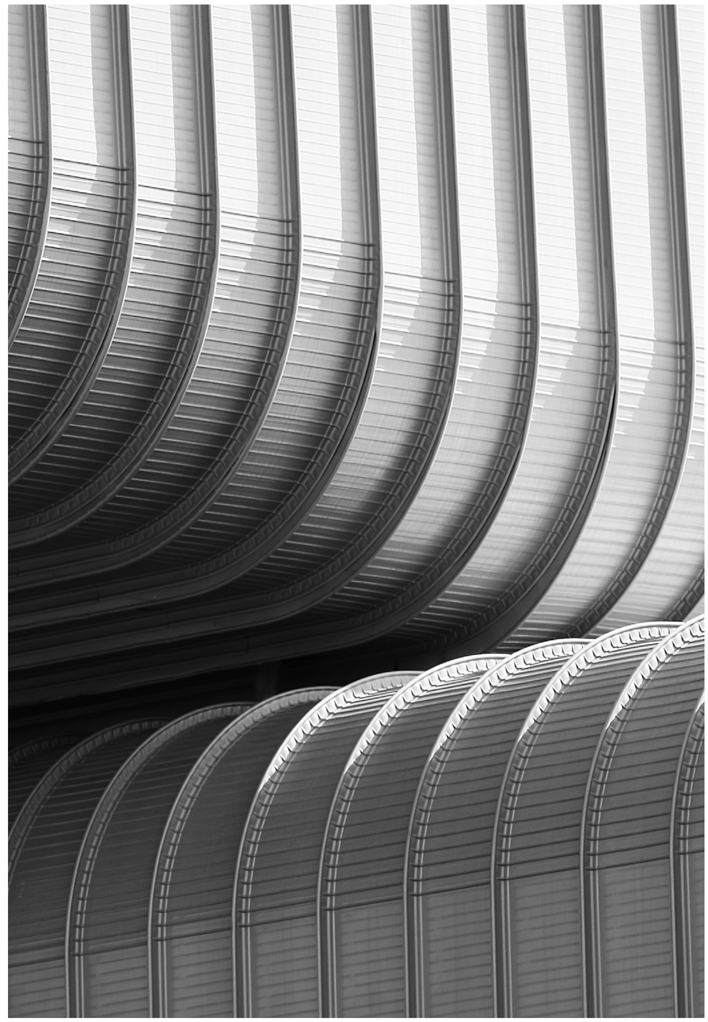
Your wealth advisor can review your financial picture and work with: our in-house teams, including tax, estate planning, insurance and trust services, to review and modify your wealth plan as needed to help protect your loved ones, income and assets.

Wealth Planning Considerations When You Experience a Loss

If you suffer the devastating loss of a spouse or a child, reach out to your wealth team for assistance with key documents and accounts.

1. **Estate Planning Documents –** If you've lost a spouse, locate their estate planning documents, specifically the will and trust document (if applicable). Schedule a meeting with your estate planning attorney. They will explain any specifics in the documents as well as suggest changes to beneficiaries and property distribution. If you've lost a child, we recommend that you meet with your advisor to modify your will and any accounts, such as an IRA, to ensure your beneficiaries are current. Note that bank accounts, retirement accounts and insurance policies have designated beneficiaries that supersede any beneficiaries mentioned in your will.
2. **Death Certificate –** To file a claim, you must provide a death certificate to your bank(s) and investment firm(s) to update accounts in addition to updating your life insurance policies. Some firms may accept an electronic copy, but we recommend asking the funeral home to provide 10-15 certified copies. The certified copy is embossed with a government seal and generally is required to do things like claim the Social Security survivor benefits of a spouse, collect life insurance proceeds, open a probate court proceeding and claim assets in an account with a stated beneficiary (such as retirement accounts, transfer-on-death or payable-on-death accounts).
3. **Investment Accounts** – Create an inventory of all accounts that were jointly owned by you and your spouse or that were set up on behalf of a child. If you have online access, note the username and password.
   - **Joint tenants with rights of survivorship accounts you had with your spouse** will become solely owned by you. Consider adding a TOD (transfer on death) designation, which will allow you to designate a new beneficiary and have the asset avoid probate at your passing.

     If you have a revocable trust already set up, you may want to consider retitling that account in the name of the trust.
   - **If you have accounts spread across multiple firms**, consolidating them at one or two firms may make your life simpler.
4. **Insurance Policies –** You many need to update the policy owner and/or beneficiaries of your life, disability, health, long-term care, auto, homeowners and umbrella policies.
5. **Taxes –** Gather tax returns from the past two to three years. Notify your CPA and schedule a meeting. If you filed a joint tax return with your spouse, you will do the same for the tax year in which they passed.
6. **Regular Bills –** Review current bills including loan payments so you understand the ongoing cash flow necessary to cover them. Set up auto-pay when possible and make sure you keep enough in your checking account to cover the bills. You may also change the name on these accounts to your name going forward.



Wealth Planning When Your Family Circumstances Change

If you have a child or adopt, marry for the first or second time or send an adult child to college, you'll need to review your wealth plan to ensure documents and beneficiaries are updated.

1. **Estate Planning Documents –** If you have a child or adopt, you'll want to update your estate planning documents including your will and establish trusts as needed so that your assets can be passed to heirs in a tax-efficient manner. Trusts can also protect loved ones from creditors.

2. **Education Savings Accounts** – A common way to help cover both college and secondary education costs is a 529 plan account. You can gift up to the annual gift tax exclusion amount, which will reduce your taxable estate. You may avoid any generation-skipping transfer (GST) tax liability when you give a gift to a grandchild.

   In addition, you can front-load five years' worth of annual exclusion gifts ($90,000 in 2024) in one year. Married couples splitting gifts can double this amount to $180,000 per beneficiary.[1]

3. **Insurance Policies** – You may have term life insurance or disability insurance policies to provide your family with income replacement should something happen to you. Or, you may have a whole life insurance policy. This type of policy pays a death benefit to beneficiaries and has a savings component in which cash value may accumulate. Interest accrues at a fixed rate and on a tax-deferred basis.

   With the birth or adoption of a child, you'll want to update your beneficiaries. You may also want to add insurance policies for increased coverage. At Mariner, our in-house insurance team can evaluate current insurance policies and recommend new ones as needed to protect your assets and loved ones. Regardless of which insurance policies you have, make sure you've updated your beneficiaries.

4. **Taxes**

   Adoption Credit – If you adopt a child, the tax benefits for adoption include both a tax credit for qualified adoption expenses paid to adopt an eligible child and an exclusion from income for employer-provided adoption assistance. The credit is nonrefundable, which means it's limited to your tax liability for the year.

   Dependent Care Assistance Program – For 2024, employees may contribute up to $5,000 to a dependent care flexible spending account and use those funds for qualifying expenses incurred during the year.[2]

   Kiddie Tax – In 2024, the first $1,300 of a child's unearned income qualifies for the standard deduction. The next $1,300 will be taxed at the child's income tax rate. A child (or young adult) with unearned income in excess of $2,600 will be taxed at the parents' normal tax bracket.[3]

MEET WITH YOUR WEALTH TEAM

At Mariner, we're here for everything life brings your way—the expected and the unexpected. Our teams, from wealth management to tax, trust, estate planning, insurance and retirement planning, are in-house, which helps simplify the planning process when you're going through any big life change.

For more information visit: **mariner.com**

1 "Estate and Gift Tax."

2 "2024 FSA and Commuter Limits"

3 "Revenue Procedure 2023-34"