



## NEW YEAR'S RESOLUTION, PROMOTE TO TEACHERS & STAFF TO REVIEW & UPDATE THEIR BENEFICIARIES

New Year's resolutions come in many different forms. Often resolutions are connected to items like personal development goal setting, a new workout routine or a list of items you have intended to get to, but just have not yet.

Please consider promoting or sharing with your school's teachers and staff the New Year's resolution idea of suggesting they review their trusts, wills, other important legal documents and add into that list '*beneficiary designations.*' Beneficiaries are extremely important to have up to date and accurate. When you signed up for a retirement plan, life insurance, or opened a new checking or savings account, you named a beneficiary and for so many of us we promptly forgot about it. It is important to periodically update your beneficiaries in order to make sure the right people receive your assets.

### Different Types of Beneficiaries

A designated beneficiary is the entity or person that is to receive the assets from your financial accounts and in-force life insurance after your death. There are two main types of beneficiaries, and you can name one or more entities or individuals for each type.

- **Primary beneficiary:** This is the first individual that is to receive the proceeds of your life insurance or financial accounts. You are able to name multiple primary beneficiaries and they will then share the assets as documented.

- **Contingent beneficiary:** This is considered the backup or a secondary beneficiary. One or more listed here will only receive the proceeds of your accounts if the primary beneficiary has passed away, cannot be located or does not want to to accept the proceeds.

### Why This is Important

The beneficiary designations for your retirement savings, life insurance and other financial accounts take higher precedence over your will. To be sure that your wishes are followed after your death, you need to keep your beneficiaries updated. If beneficiaries are not listed, your assets will follow a legal default order to determine who will receive it, such as your spouse, your children, your parents and then your siblings. Listing a beneficiary and periodically reviewing them will save time, effort, and potential confusion and conflict after you have passed.

### Common Mistakes

Even if you did name someone as a beneficiary, you need to update the names whenever there is a change in who you want to receive your assets. Common mistakes in this area include not adding a spouse after marriage, not adding children as they are born, not including a trust if one is set up after accounts are established, leaving an ex-spouse named after a divorce and leaving parents and siblings listed after you married and started your own family.

### When is it Good to Review and Update?

It is good to review all beneficiaries once a year, and the beginning of each year (as a New Year's resolution) is an excellent time for this review. It is also a good time for review and update soon after you experience a life change such as marriage, divorce, death of a spouse or child, birth of a child or grandchild or similar event that alters your family. You should also update your beneficiary listing when a beneficiary changes his or her name, such as an adult child getting married. If you are not sure how to change your beneficiary, it is also good to check in with the human resources department, your financial advisor, life insurance carrier or financial institution and resources will be available to guide you to the forms for proper review and potential updates.

**HAPPY HOLIDAYS TO EVERYONE FROM TRICOR INSURANCE.**

**Important Disclaimer: We strongly recommend connecting with a licensed professional for an assessment and a complete understanding of your current and future employee benefits coverages and compliance requirements.**

Archie Vorwald is a Partner/Executive Vice President at TRICOR Insurance servicing Wisconsin's public and private sector employers. For more information, please contact Archie at 608-712-6754 or email [avorwald@tricorinsurance.com](mailto:avorwald@tricorinsurance.com).

*TRICOR is endorsed by Wisconsin Association of School Boards (WASB) Insurance Plan for Property and Casualty Insurance & Employee Benefits Insurance.*

