

Don't Even Think of Remarriage Without Discussing These Points!

By the time we remarry, most of us have clearly defined money styles. Established ways of managing money affect decisions about education, housing, clothing, vacations, medical and dental services, investments, and gift giving. These concerns are not unique to stepfamilies; they are common in every marriage. In stepfamilies, however, there are usually many additional wrinkles to iron out.

Family finances will be affected by and involved in many areas of your life together. Some topics for discussion:

- ? Moving away from your home town.
- ? Quitting or starting a job.
- ? Material assets prior to marriage.
- ? Regular income sources.
- ? Title/ownership of the new marital family home.
- ? Current and potential liabilities (child/spouse support, tax liabilities, pending lawsuits).
- ? Diagnosed health or emotional problems.
- ? Financial assistance to family members (adult children and aging parents).
- ? Whether or not to have additional children together.
- ? Money management styles (casual versus "bean-counting").
- ? How you will handle family finances (joint/separate accounts, who pays which bills).
- ? Income tax liability changes.
- ? Insurance coverage (health, life, property, umbrella).
- ? Retirement security.
- ? Health care proxies.
- ? Inheritance money (beneficiary status in wills and trusts).

Dr. Engel is an author, speaker, and media consultant specializing in families complicated by divorce and remarriage. Now retired, she is a former president of the Stepfamily Association of America and a member of the National Stepfamily Resource Center's Council of Stepfamily Experts. <http://www.stepfamilies.info>

DOCUMENTING FINANCIAL INFORMATION

The first task is to gather the correct data. You will find helpful financial information on the National Stepfamily Resource Center's website: <http://www.stepfamilies.info/articles/wedding-bells-and-dollar-bills.php>

A complete set of FORM-ulas™, to document information within each of the folders, is on perforated sheets located at the end of The Divorce Decisions Workbook (McGraw-Hill). Books are available through various websites.. These forms are no longer available directly from Dr. Engel.

Basic Categories List

(Label individual file folders as follows:)

- ◆ Personal papers
- ◆ Children
- ◆ Education
- ◆ Credit card list
- ◆ Household inventory & appraisals
- ◆ Personal banking
- ◆ Money loaned to others
- ◆ Money borrowed from others
- ◆ Investments
- ◆ Applications/Financial statement
- ◆ Titles and deeds
- ◆ Medical insurance
- ◆ Life Insurance
- ◆ Personal property insurance

Routine Family Expenses

(Label individual file folders as follows:)

- ◆ Banking
- ◆ Children's expenses
- ◆ Clothing
- ◆ Contributions
- ◆ Education
- ◆ Entertainment
- ◆ Food
- ◆ Gifts
- ◆ Housing
- ◆ Household maintenance
- ◆ Household, major purchases
- ◆ Insurances
- ◆ Loan repayments
- ◆ Medical, dental, life, etc.
- ◆ Miscellaneous
- ◆ Special expenses
- ◆ Taxes
- ◆ Transportation
- ◆ Vacations

While you are in an organizing mode, you may want to set up the rest of your financial management system at this time. A step-rack can be used for current financial activities. File folder labels for your step rack will be Action; Current Banking; Current Bills; Pending Bills, for charge card slips; and To Be Copied, for items that belong in two or more places. This may also be the time to update your address book.

Even if you decide to bypass all the organization of folders, at the very least, be sure to have the Key Categories

conversations:

- ◆ Have you agreed to support aging parents?
- ◆ Do you need money for a business investment?
- ◆ Is there an upcoming balloon payment?
- ◆ Is a lack of maintenance (house, auto, appliances, and even on yourself) showing signs of catching up with you?
- ◆ Are any teenagers beginning college soon?
- ◆ Are you reaching retirement age?
- ◆ Does anyone in the family have a potential "time bomb" health problem?
- ◆ Were any benefits given up in order to marry (job, pension, social security)?

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DOCUMENT CHANGES

(adapted from The Divorce Decisions Workbook, McGraw-Hill)

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Information about name and/or address changes needs to be given to almost everyone who has been in your life up to the moment of your divorce decree.

Contacts should be in writing because a copy of your signature is usually required. Written correspondence will also give you a record of notification in the event of problems.

Your correspondence breaks down into four main categories:

- Personal
- Legal and Public Documents
- Business
- Children

NOTE: If you have always wanted to use a variation of your name such as Sandy instead of Sandra or Robert instead of Bob, this is a perfect time to do it and give people official notification.

PERSONAL

The following list suggests a variety of individuals and groups from one's personal life who need to be informed of changes of name and address:

- Friends
- Neighbors
- Religious affiliations
- Medical records--doctors, dentists, pharmacies, etc.
- Alumni associations
- Memberships--social, community and professional
- Community--charities and special interests
- Theaters/cultural subscriptions
- Sports/Exercise groups
- Book/Record/Video clubs
- Publications--magazines/newspapers
- Insurance agents
- Appliance service contracts

LEGAL AND PUBLIC DOCUMENTS

Here are some suggested legal and public organizations to inform:

- Social Security
- Passport
- IRS filing
- Registrar of Voters
- Pet registration
- Property ownership (there is usually a charge for name changes on land records)

- Department of Motor Vehicles for Driver's license, Automobile registration, Pleasure craft registration
(You will need: A completed application for registration, Certificate of Title designating sale or transfer, current registration, proof of insurance, and proof of current tax payment.)
- Will

BUSINESS

Some business organizations to inform of changes of name and address include:

- Professional licensing agencies
- Employer personnel department
- Professional membership organizations
- Publications--magazines/newspapers
- Post Office box
- Credit Bureaus
- Insurance agents
- Professionals--attorney/accountant
- Service contracts
- Charitable organizations
- Frequent Flyer programs
- Financial accounts

CHILDREN

Institutions and organizations in which your children participate also need to be informed of changes in name and address.

- Schools
- Medical records
- Friends/neighbors
- Membership groups
- Special activities such as sports and clubs

STATUS OF PRE-EXISTING APPOINTMENTS

Clarify the status of pre-existing appointments for your now ex-spouse:

- Power of Attorney
- Health care proxy
- Beneficiary status for wills, IRAs, and retirement funds

Financial FORM-ulas™
can be found in *The Divorce Decisions Workbook* (McGraw-Hill)
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Household Inventory List (FORM-ula™ 27)

Personal Banking (FORM-ula™ 29)

Money Loaned to Others (FORM-ula™ 30)

Money Borrowed from Others (FORM-ula™ 31)

Investments (FORM-ula™ 32)

Titles and Deeds (FORM-ula™ 33)

Life Insurance (FORM-ula™ 37)

Disability Insurance (FORM-ula™ 38)

Employer Policies and Benefits (FORM-ula™ 44)

Proprietorships, Partnerships, Professional Corporations, and Family-Owned
Businesses (FORM-ula™ 45)

Income Records (FORM-ula™ 46)

Retirement Dollars (FORM-ula™ 47)

Assets (FORM-ula™ 48)

Liabilities (FORM-ula™ 49)

MANAGING STEPFAMILY MONEY: Yours, Mine, and Ours

GOOD REASONS TO SHARE FINANCIAL MANAGEMENT:

1. **It's fair.**

A lifestyle is determined by spending decisions so both partners deserve a voice in making decisions.

2. **It's effective.**

Sharing makes for better decisions and actions.

3. **It's successful.**

People who share in decisions have a reason for making them work.

STEPFAMILY DECISIONS:

When money is separate:

- ◆ What money is to be separate? (checking/savings/brokerage accounts)
- ◆ How much will each partner contribute to the household?

When money is pooled:

- ◆ What money, if any, is to be personal?
- ◆ What money is to be shared?
- ◆ How much can each spouse withdraw without discussing it with the other?
- ◆ What expense categories are most important?
- ◆ Will yearly expense plans be created?
 - By whom?
 - How closely will they be followed?
- ◆ Who will manage the books?
 - How will they be kept?
 - How often: weekly or monthly?
 - How accurately?
 - How closely will they be followed?
- ◆ Who will write the bill-paying checks?
- ◆ How much discussion is appropriate (and whose opinion prevails) when purchases are made?

Whether money is kept separate or shared:

- ◆ How will financial emergencies and unexpected expenses be handled?
- ◆ When will credit be used?

KEY POINTS:

- ◆ For couples to share the relationship spirit, each partner needs to have a reasonable amount of money to use at personal discretion to meet personal needs.
- ◆ All wives must have credit in their own name. It is too important a commodity in our society not to be protected.
- ◆ It's very important for each spouse to keep some readily available money for emergencies.
- ◆ Marriages need nurturing. All couples need financial plans that provide money for private time and enjoyment together. One of the essential elements of any healthy financial plan is periodic celebration of it's achievements.

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STEPFAMILY MEDICAL COVERAGE

It is important to know the answers to basic questions about existing medical coverage.

- Which parent is responsible for maintaining each child's medical coverage?
- When does the obligation end?
- Do you have current documentation that provides proof of coverage?
- Do you have compliance assurance for coverage and procedures?
- What are the payment, reimbursement, and deductible procedures?
(For instance, who fills out and submits insurance forms?)
- How have parents agreed to pay for expenses that are not covered by the medical insurance such as elective procedures and for pre-existing conditions?
- How have parents agreed to pay for necessary care that exceeds covered limits or for dental care, physical therapy, or psychological counseling that may not be covered at all?
- What arrangements have parents made for continued coverage in the event of death, disability, or change/loss of current employment by the parent responsible for maintaining medical coverage for the children?

Note: Provisions of medical insurance coverage for children in other households or for residential stepchildren is a gray area. Insurance policies *may* cover residential stepchildren if they are the income tax dependents of the remarried couple. Parents need to read the fine print about limitations, especially if the children are cared for in a joint physical custody arrangement.

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STEPARENT MEDICAL PERMISSION TO TREAT MINOR CHILD

Date _____

To whom it may concern:

Regarding _____

(Give full Name of Child, Address, Date of Birth, Social Security Number)

As the parents of the above-named child, _____
(Name of Responsible Adult)

has our permission to authorize emergency medical treatment to this child.

Known allergies are: _____
(List any known Allergies to Food, Medication, etc. or write "NONE")

This child's regular doctor is: _____

(Give Name, Complete Address, and Telephone Number)

This child is insured under medical policy _____

(Give Company, Policy Number, Listed Insured's Name and ID)

(Signature)

(Parent Name)

(Parent Address)

(Work Phone)

(Home Phone)

(Notary Public)

(Date)

(My Commission Expires)

(Signature)

(Parent Name)

(Parent Address)

(Work Phone)

(Home Phone)

(Notary Public)

(Date)

(My Commission Expires)

NOTE: This letter **must** be notarized