



A financial advisory practice of Ameriprise Financial Services, LLC

Why Beneficiary Reviews Are a Must—Not a Maybe

Protect your legacy with regular updates to your financial documents

When it comes to financial planning, many people assume that once they've named beneficiaries on their accounts, they're set for life. But if life changes, it may be time to change your beneficiary designations. Whether it's a retirement account, life insurance policy or investment portfolio, regularly reviewing and updating your beneficiaries is one of the most important steps you can take to protect your legacy and ensure your wishes are honored. Explore why a simple update to beneficiaries today can prevent costly mistakes tomorrow:

What is a beneficiary designation? Beneficiary designations are instructions that tell financial institutions who should receive your assets after you pass away. They apply to a wide range of accounts, including 401(k)s, IRAs, life insurance policies, annuities and even bank or brokerage accounts. What many people don't realize is that these designations typically override what's written in a will or trust. That means if your beneficiary information is outdated, your assets could end up in the wrong hands, regardless of your estate plan.

When to review beneficiaries. Life doesn't stand still, and neither should your financial documents. Marriage, divorce, the birth or adoption of children or grandchildren, the death of a previously named beneficiary or changes in financial goals and relationships are all common life events that should prompt a beneficiary review. For example, if you haven't updated your retirement account since a divorce, a quick review can help avoid unintentionally leaving a significant portion of your savings to an ex-spouse. Failing to update your beneficiary designations can lead to assets going to unintended recipients, legal disputes among heirs, delays in asset distribution and even tax complications for beneficiaries.

How to review beneficiaries. Reviewing your beneficiaries doesn't have to be complicated. Start by gathering all account documents and confirming both primary and contingent beneficiaries. Make sure names, relationships and contact details are accurate. Then, take time to ensure your designations align with your broader estate plan. It's a good idea to revisit this information annually or after any major life event. If you're unsure where to start, your financial advisor can help guide the process and ensure everything is coordinated properly.

Work with a financial advisor. Financial advisors can help clients take a holistic approach to legacy planning. This includes reviewing beneficiary designations across all accounts, coordinating with estate planning professionals, identifying tax-efficient strategies for asset transfer and facilitating family conversations around financial intentions. These steps help ensure your wishes are clearly documented, and your loved ones are protected should the unexpected occur.

Beneficiary reviews may seem like a small detail, but they carry significant weight. Taking the time to update your designations can prevent confusion, conflict and costly mistakes down the road. A financial advisor can help ensure your financial plan reflects your current life, your values and your legacy.

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