



## ***PRENUPTIAL AGREEMENTS RESOURCE GUIDE***

Congratulations, you are engaged to be married! This is one of the most exciting times in your life. As you look for the perfect venue and flowers to make your wedding day shine, think about some of the business aspects of your relationship, too.

Not to be unromantic, but right now is the perfect time to discuss prenuptial agreements. At this moment, you may be thinking that nothing could ever go wrong, but no one knows what the future has in store, so it's best to be prepared.



## **Prenuptial Agreement Definition**

The definition of a prenuptial agreement is a private agreement between a couple, that is signed prior to their marriage which sets forth the division of their assets in the event of divorce or death. Each state has different regulations as pertains to prenuptial agreements and depending on where you get married and where you plan to live will depend on the laws applied.

## **The Basics of Prenups**

Many people associate prenuptial agreements with celebrities, the rich and famous, or people with millions of dollars. While the press coverage that high profile marriages and divorces get makes it seem that the "average person" doesn't need to be thinking of a prenuptial agreement, there are many benefits of prenups for every couple, no matter their wealth or fame. Prenups are for people who are planning on sharing a life together and want to avoid future disputes over daily finances or how to split their assets or debts if the marriage doesn't last. This agreement guides the division of property and debts, future family support obligations, and it helps you protect what you have worked so hard to gain up to this point in your life.

It's best not to thrust the idea of getting an agreement at your partner as you are headed to your ceremony or on the day of your wedding. Bringing up and discussing your plans and future well before the wedding date and in a reasonable and measured manner allows both parties to have sensible clear conversations and to get used to the idea. Placing these thoughts and plans into an agreement is not only the right thing to do but helps prevent disagreements during the marriage by clarifying expectations. Ideally at least six months prior to a wedding date allows time to iron out all the details.



## 1. MATRIMONIAL HARMONY

Money is the number one reason that couples have disagreements! Will you have a joint bank account? Will you keep separate accounts? Is someone bringing debt into the relationship? What happens if down the road one partner loses their job? Did you know that debt acquired during a marriage becomes marital property?

Not only is this an emotional partnership, but a financial one also. Think about it as a business partnership with clear roles and responsibilities. Handling this now ahead of the marriage can prevent disagreements later on. How you share the responsibility of managing your finances is a key element of a good prenup. For instance, will you maintain joint bank accounts or will you keep separate accounts? How do you plan on paying the monthly bills – is one of you covering these or will you be splitting them?

In the prenuptial stage of a relationship, it is a key factor to disclose all your financial assets and debts – if someone “forgets” that secret account their grandmother set up for them the court can invalidate the contract. Giving your future partner a clear financial picture will make the decision easier and will hopefully make for a better marriage – allowing trust and goodwill. It is also important to factor in debts – coming to the table with credit card debt or student loans is important to factor in how this will be assessed and paid off.

Clear plans on bank accounts will help make those day to day decisions easier and clearer as you move into the marriage partnership. During your marriage, you will no doubt buy furniture, decorate a home, purchase vehicles and real estate, save for retirement and more. What if one of you uses your pre-marriage savings of \$25,000 to purchase a car for the other’s use. If you break up, is that car a marital asset or the separate property of the spouse who paid for it? The answer to that may depend on the laws concerning marital and separate property in your state. Without a prenup that addresses these types of situations, the legal outcome may not be what either of you expect.



## 2. FAMILY

If you plan to start a family or either of you has aging parents or siblings now is the time to review and discuss the financial implications that could have on your marriage.

For instance, if one of your parents gets sick will one of you have to take time off work or even forego a career to stay home? If there is a break-up how will that person be compensated for their time?

Are you planning on having children? How many do you want to have and how do you see them in your lives with school fees, doctor's costs, etc. to take into consideration? Will one of you have to stay home and help child-rear for a few years and if so, will the other be able to finance the family?

Other topics we see more often today is the subject of IVF – if you are going through IVF how do you plan to both pay for that and what if your eggs are frozen – who would have rights to them in a breakup?



### **3. BLENDED FAMILIES**

Is one of you bringing children from another marriage into this relationship? It's time to review the impact of blending the families and how that will impact your current relationships.

How will the costs and financial implications of children from an existing relationship have on your combined finances – school fees, trips, gifts? Is there a spouse from a past relationship to consider and how does everyone get along – it is key to make the running of this situation as smooth and uncontentious as possible. If one of you is receiving child support payments these could vary as time goes on and so the pot of money to support the family might be reduced in the long term.

As well as financial considerations, how will the visiting schedule work and don't forget the holidays? It is always important to think about how those moments will unfold especially if you are dealing with other spouses and sharing of children's time and vacation.

Don't forget the pets – they are as much a part of the family! More often than not, in the divorce discussions, the animals can become a contentious issue – think about the pets and how the breakdown of ownership would work in the worst case scenario.



#### **4. PRE-EXISTING ASSETS OR DEBTS**

If one or both of you currently own property where do you plan to live? How do you plan on handling mortgages or rental payments?

Do you have credit card debt or student loans? If so, this should be addressed as you do not want to end up with the other partner's debt problems.

Are you in line to inherit money from relatives? If you are, do you plan to keep this separate from your joint assets or will you use that money for renovating your house or apartment or buying that car you have been wanting?

A prenup is an excellent way to lay that all out now and to protect what you have all worked so hard to earn up until this point in your life.

Having these conversations now won't ruin your relationship – if anything it opens up conversations about needs and expectations, fosters communication, and helps couples practice conflict resolution – all essential ingredients in a successful marriage.

Working with a mediator will help you better manage those awkward conversations or topics that perhaps have been hard to work through. With experience in these matters, mediators can guide you through the thought processes and help you both get to the ultimate goal of securing your future together.

If you feel that these conversations are going to be awkward or uncomfortable let Mediated Online Solutions team of understanding, caring, and compassionate advocates to support and guide you.

## ***How Mediated Online Solutions Can Assist You***

Our team of knowledgeable Certified Divorce Specialists™, mediators, therapists and collaborative family law attorneys at Mediated Online Solutions are here to help make your path to divorce as stress-free as possible. If you desire to use options that keep you out of court and creative solutions to resolve your marital disputes or divorce needs, we offer mediation and therapy services completely online. If the Court is where your divorce will be decided, we will fiercely advocate for you and help you obtain the best possible outcome in court. Moreover, we can help you with any problems related to child custody, such as spousal support and child support. We understand the sensitive nature of these cases, and we want to help educate and empower you so that you can make the most pragmatic decisions for yourself.

**Mediated Online Solutions team of Certified Divorce Specialists™** and experienced family law attorneys and therapists are ready to support and guide you towards peaceful solutions.

Call us today at 518.413.1200 or email us at [info@mediatedonlinesolutions.com](mailto:info@mediatedonlinesolutions.com) to learn more about how we can guide and support you as you navigate the often unclear path that lies ahead.

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