Coupling Your Finances

7 Tips on Becoming a Money Team

1 Save for Retirement Together

You and your partner should feel equally responsible for and committed to collectively saving for your golden years. Saving for retirement should fall in line with making big financial decisions together like buying a house or expanding your family. Are both of you saving in a 401(k)? If not, devise a plan to make sure you are both actively saving to meet your retirement savings goals. If only one of you works outside of the home, determine if the unemployed partner qualifies for a spousal IRA, which is a great way for a non-working spouse to save.

2 Consider Your Shared Income Needs

Knowing how much money you and your partner will need in retirement is vital. Are you on track for your retirement savings goal or are you two needing to devise a plan to catch up? Talk with your partner about the lifestyle you both want in retirement. You may be saving for a retirement that involves a strict budget, while your partner may be envisioning a lifestyle that requires the same level of income you two have enjoyed throughout your working years. Align your goals and know how much you and partner will need in annual income during your retirement years.

3 Discuss Your Big-Picture Goals

Sit down with your spouse and discuss your dream retirement together. Talk openly about your goals for your retirement years; you may be envisioning retiring as early as financially possible, while your partner may love what he or she does and be wanting to work for years to come. Think about where you two want to lay down roots: Your partner may be dreaming of a remote cabin on a lake, while you are yearning to wake up to the smell of salt air and the sound of waves crashing on the beach.

4

Check Your Beneficiaries

When you open any type of financial account, you typically select one or more beneficiaries; however, many people forget to evaluate these elections and update the designations as necessary if and when people are no longer in their lives and/or new ones enter. Make sure your beneficiary designations are always as up-to-date as possible, and be sure to reevaluate your elections upon major life events, such as marriage, the birth or adoption of a child, divorce, or the death of a family member.

5

Strategize Social Security Claims

If you and your partner are married, you have the opportunity to maximize lifetime Social Security income by timing your individual and spousal claims. Social Security strategies depend on your and your partner's ages and when you both opt to claim, making careful planning in the years before each of you reaches age 62 - the earliest at which an individual can begin collecting Social Security - essential in terms of optimizing your and your partner's guaranteed income for life.

6

Consider Retiring at Different Times

Although retiring at the same time may sound appealing, doing so also has its challenges. Staggering your retirements can allow you and your partner to adjust to your new routines with new hobbies on your own accord to help each of you feel a sense of ownership for what you have been working for so many years to save for. Additionally, evaluate if one of you has the ability to phase into retirement by working part-time, which can help ease the transition both financially and mentally.

7

Understand Retirement Spousal Benefits If You Divorce

If you are working towards a divorce, you will need a plan to secure and protect your savings, as your retirement assets and long-term plan will be impacted. The separation of marital assets often extends to retirement plans and most often involves evenly dividing up the savings you and your ex-partner have. Furthermore, you or your partner may be entitled to spousal support throughout retirement, and there are also unique Social Security benefits that divorced or widowed spouses qualify for.