

Ownership for Married Couples **Newlywed Couples**

By Casey Neuman, Esquire

The average age of first marriages has risen over the years. In the 1950s the average age of first marriages was in the early to mid-20s. Today, it's closer to 30. While the age itself is not critical, it is indicative of the fact that both spouses will likely have completed their educations and will have spent 5 to 10 years working, living on their own, and possibly accumulating assets, such as household goods, an automobile, some retirement savings (401k, profit sharing, IRA) and some investments, such as stocks or bonds, and possibly some equity in a home.

Assume that while newly married spouses are both working, the couple hopes within a few years to begin a family. Assume each has between \$50,000 and \$100,000 of net worth. Assume that 50 percent of each spouse's assets are in retirement accounts.

My suggestion is that for the time being each individual should retain ownership of the separate assets brought to the marriage. The couple should, however, open a joint bank account and deposit both paychecks in that account to meet all expenses. Automobiles should be kept in separate names but joint funds may be used for payments, maintenance, repairs, and insurance. For liability purposes, each spouse should drive the vehicle in his or her own name so that in the event of an accident and liability claim in excess of insurance coverage, joint assets as well as those of the spouse are protected.

If the couple purchases a home, it should be titled in both names as tenants by the entireties, even if most of the down payment comes from one spouse. By owning the home jointly, the home is protected from a creditor's claim against either spouse.

A sound marriage is based on sharing trust and confidence. By investing their savings in joint names, the couple is strengthening their lifelong commitment to each other. When a child arrives, it is important to rethink the plan. Separate assets in excess of \$25,000 would require probate or a formal administration of a spouse's estate. Where combined assets, including life insurance, are less than \$500,000 and both spouses generally assure me that the marriage is strong, I recommend combining separate investments into a joint account.

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