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## THE REGISTER CITIZEN

### **MARKET MATTERS: LGBT Pride month includes attention to same-sex finances**



*Joseph Matthews*

June is national LGBT Pride month and is being commemorated across Connecticut and, indeed, the country. Here in our state, we are well underway in month-long celebrations that include a nine-day LGBT film festival in Hartford, a Bingo Pride party in Fairfield, an outdoor festival in Norwalk replete with comedians, musicians, and other performers, benefit concerts, brunches and more, creating an all-round glorious atmosphere of inclusiveness and acceptance.

But while there have been great strides in LGBT recognition in the last decade, there still is a significant need for same-sex couples to understand the unique financial planning situations they may encounter. There have been sweeping changes to both marriage and tax laws in recent years, and it is incumbent upon gay couples to ensure that their investments are current with laws that have been enacted since the U.S. Supreme Court decision in June 2015 that legalized gay marriage nationally.

To begin with, it is recommended that same-sex couples talk about money with their spouses to determine where they stand financially as individuals and as a couple. There are many avenues that must be explored in every marriage including knowing how much money each partner has, where it's located, whether business assets are involved and whether they should be kept separate from family assets.

All married couples have similar requirements regarding savings accounts and other banking instruments, in addition to insurance policies and wills, which may require rewriting to update beneficiary information. It also is important to remember that beneficiary designations may have the power in some documents to override a will.

A major point of interest should be the employment situation, and especially any retirement accounts that currently exist or may become available. These include employer-sponsored retirement plans, such as a 401(k), pension or Simple IRA, with the contributions to such accounts made automatically by employers with pre-tax dollars.

Some employer-sponsored retirement plans, for instance, may require that spouses are named as beneficiaries. Simply put, virtually any financial categories that previously were maintained on an individual basis should now be considered the domain of a married couple.

It wouldn't hurt to start from ground zero regarding finances, going back to the most basic financial elements including the household budget. This is a good place to set priorities as a couple that may require revision from previous individual priorities.

Even if the individual partners didn't maintain a budget prior to marriage, it can be an eye opener and handy guide for financial decisions going forward. A regularly maintained budget can make both partners aware not only of the assets that they bring to the marriage, but can also highlight potential financial baggage, such as debts that previously were owed by only one but now may be secured by joint assets.

Gay marriage brings many of the same legal and financial requirements to the relationship as those encountered by heterosexual couples, from income tax to social security. Marriage requires a means to pay current bills, save for emergencies, support a family, invest for the future prior to retirement and maintain a lifestyle after retirement.

A successful financial portfolio takes into account a range of needs and requires attention by both marriage partners on a regular basis. Not only will attention to financial details help avoid pitfalls and pave the way to successes, it can be a focal point for the marriage that gives each partner a common ground that endures throughout the many highs and lows that are sure to be encountered in any relationship.

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