

## Prenuptial Agreements – Not Just For the Rich and Famous Anymore

In general, I am willing to wager that most people think that prenuptial agreements are only for the rich and famous or the very suspicious. Well, not any more they aren't. In today's increasingly complex world, premarital agreements are becoming an essential component to marriage.

### Why would I want a Prenuptial Agreement?

The following is a list of reasons you may want to consider a prenuptial agreement.

- **You have children from a previous marriage or relationship.** When you have a family from a previous marriage or relationship, your legal and financial concerns are often very different than for people who are marrying for the first time. A well drafted prenuptial agreement will help assure that your assets are distributed according to your wishes so that neither your first family nor your new family are cut off the event that you pass away or your new relationship breaks down.
  - **You plan to quit your job to raise your children.** A prenuptial agreement can be a powerful tool to protect a stay at home parent, as it can provide for future security for a spouse who has sacrificed their career to raise a family.
  - **You own property or have significant investments.** A prenuptial agreement can protect property you accumulated prior to the marriage, as well as any appreciation in the value of that property.
  - **You own a business.** Without a prenuptial agreement, your spouse could own part of your business in the event your marriage ends. Your business partners may not appreciate this. A prenuptial agreement can prevent a spouse from becoming an unwanted partner in your business.
  - **A prenuptial can be a useful estate planning tool.** A prenuptial agreement can ensure that your estate plan works as you designed it.
  - **Your partner has a lot of debt.** If your partner has a large debt load prior to your marriage, a prenuptial agreement can ensure that you will not be responsible for the debt in the event of the dissolution of your marriage.

When presented with the idea of a prenuptial agreement, many people automatically put up road blocks and objections. However, with some thoughtful planning and understanding, these objections can be successfully eliminated and even turned into powerful arguments in favor of a prenuptial agreement.

- **Prenuptial agreements are not romantic.** Well, no they are not. But a lasting marriage is not based on romance alone. Qualities such as the ability to talk openly with each other about finances, children and the future are the foundation of a lasting marriage and a successful prenuptial agreement requires all of these components.
  - **A prenuptial agreement means we don't trust each other.** A successful prenuptial agreement requires honesty and full disclosure about each party's assets, debts and desires. Couples who truly do not trust each other would not be able to engage in the honest discussion that prenuptial negotiation requires.

- **We Are Never Going to Get Divorced.** In today's society, relationships often break down. In addition, a premarital agreement can define what happens to assets in the case of death, not just divorce.

- **Prenuptial agreements always favor the husband/wealthier party.** As discussed above, a prenuptial agreement can provide future stability for a stay at home parent. They can also ensure that the less wealthy spouse is financially taken care of (even if it is not the same asset split that a court might give in the absence of a prenuptial agreement).

- **Prenuptial agreements are expensive.** Couples should plan on spending approximately \$1,500 for the drafting of a prenuptial agreement, and additional legal fees for the reviewing partner. However, when the costs of an ugly contested divorce are factored in, a premarital agreement is well worth the investment.

If you decide a Premarital Agreement is right for you, there are some things that you should consider:

- Both parties should be represented by separate attorneys
- The premarital agreement should be discussed and prepared well in advance of the wedding. In California, the agreement should be signed at least seven days before the wedding.
- Be honest, any concealed assets or debt could invalidate the prenuptial agreement,
- An open and honest discussion of assets, debts, children and aspirations should strengthen the marriage, not weaken it.

If you are planning on getting married and would like a premarital agreement, or are considering whether a premarital agreement is right for you, I invite you to visit my website at [www.lltlaw.net](http://www.lltlaw.net) or to contact me at [lthatcher@lltlaw.net](mailto:lthatcher@lltlaw.net)