



BENEFICIARY DESIGNATIONS

Common Mistakes and How to Avoid Them

Beneficiary designations specify the person (or persons) who will receive assets when a participant dies. To avoid any complications, like the ones listed below, make sure to review your beneficiary designations annually.

COMMON MISTAKES	WHAT TO DO INSTEAD
NOT COMPLETING A BENEFICIARY DESIGNATION FORM	Even if you name your beneficiaries in your will, you should always complete the Plan's beneficiary form.
MAKING ERRORS ON THE APPLICATION	Misspelled names or incorrect social security numbers could make your application legally invalid. Always double check that your beneficiary's information is correct.
ONLY NAMING A PRIMARY BENEFICIARY	Typically, a spouse is listed as the primary beneficiary. If something were to happen to you and your spouse at the same time and a contingent beneficiary is not named, there would be complications transferring the assets. Make sure to name a primary and a contingent beneficiary.
NOT UPDATING BENEFICIARY DESIGNATIONS	It is important to regularly review information listed on your retirement plan. To ensure your funds are left to who you intend, verify your beneficiary designations upon major life events (e.g. divorce, death of a beneficiary, birth of a child)
FAILING TO COORDINATE UPDATES TO YOUR WILL	A beneficiary designation automatically overrides your will. At major life events, make sure to update both with the correct beneficiary information to avoid any complications transferring your assets.
NAMING A MINOR AS THE BENEFICIARY	Avoid naming a minor as your beneficiary. To ensure minors (children/grandchildren) receive their full benefits at the age of majority, consider setting up a trust with an estate attorney and list the trust as the beneficiary. A trustee will set guidelines and keep funds secure until the minor is 18 or older.