

A photograph of a family walking along a beach. A man is carrying a young child on his shoulders, and two other children are walking ahead of them. The scene is captured from behind, showing the family's silhouettes against the bright, sunlit beach and ocean.

Choosing a Beneficiary

For Your Retirement Account.

A retirement account is a lifelong asset, providing financial security throughout life's many transitions. Naming a beneficiary for your workplace retirement account or IRA ensures your savings are passed on to the people you choose. Take a few minutes today to review your beneficiary designations and make any necessary updates. Keeping this information current can help avoid unnecessary delays, confusion, and complications for your loved ones in the future.

Beneficiary Basics: A few things every participant should know

1. Your Beneficiary Form Matters More than Your Will

Many people assume their *will* determines who inherits their retirement account. In most cases, it doesn't. Your *beneficiary designation form* generally takes precedence over a will or trust when retirement assets are distributed. The beneficiary form on file with BPAS is typically the document used to determine how your account will be distributed.

2. Review Your Beneficiaries After Major Life Events

Naming a beneficiary is not a "set it and forget it" decision. Life events such as marriage, divorce, the birth of a child, or the death of a loved one can affect who should inherit your account. It's important to review and update your beneficiary information after major life events because a beneficiary that was appropriate years ago may no longer reflect your wishes today. For example, divorce does not automatically remove a former spouse as your beneficiary. If your form isn't updated, an ex-spouse may still be entitled to inherit your account, even decades later.

3. Choosing the Right Beneficiary

If you're married, federal law generally requires your spouse to be your primary beneficiary. If you wish to name someone else, your spouse must provide written consent, typically witnessed by a notary public or plan representative. Without a valid spousal waiver, the plan may be required to pay benefits to your spouse. It's important to note that this rule generally applies to employer-sponsored retirement plans, not IRAs.

If you're not married and haven't named a beneficiary, your plan document or IRA custodial agreement may include a provision that specifies who receives your account. Otherwise, your estate could become the beneficiary, which can trigger probate, a potentially lengthy and expensive legal process.

If you have children or grandchildren, think carefully about how you want your assets to pass to them. Special considerations may apply when a beneficiary is a minor or when you want assets managed through a trust.

It's also a good idea to name both **primary and secondary beneficiaries**. A secondary beneficiary can inherit your account if your primary beneficiary dies before you, declines the inheritance, or is otherwise unable to receive the assets.

*A simple update now can help protect your loved ones
and ensure your retirement savings are distributed according to your wishes.*

4. **Be Specific When Naming Your Beneficiaries**

Avoid vague designations such as "my children" or "my family." Whenever possible, provide accurate identifying information for each beneficiary, such as full legal name. Clear designations can help reduce confusion and make the distribution process easier for your loved ones.

This can be especially important for blended families, multiple children, or other complex family situations.

5. **Per Stirpes vs. Per Capita: What's the Difference?**

These two options determine what happens if a beneficiary passes away before you.

- *Per stirpes* means a beneficiary's share passes to their descendants.
- *Per capita* means the account is divided equally among the remaining living beneficiaries.

A small selection on your beneficiary form can significantly affect how your retirement assets are distributed.

6. **What Happens If You Don't Name a Beneficiary?**

If you're not married, then the plan document or custodial agreement may include a provision that spells out the order of distribution. Otherwise, your estate may become the beneficiary, which can trigger probate.

7. **How to Add or Update a Beneficiary**

Designating your beneficiaries for your BPAS account is easy!

- Simply log into your account at **u.bpas.com**.
- Navigate to **My Profile** and select the **Beneficiary** tab.
- **Add** your beneficiary(ies) and **submit your changes** when finished.
 - *You may include multiple beneficiaries, provided their total share equals 100% and is expressed in whole percentages.*
 - *Remember: Your primary beneficiary inherits your account upon your passing, and a secondary beneficiary inherits the account if the primary beneficiary has also passed away.*

Take a few minutes to review your beneficiary designation today!



*Scan QR Code or
Visit u.bpas.com*

Please refer to your plan document, Summary Plan Description, and/or Custodial Agreement for details about beneficiary designations. This material is provided for educational purposes only. Source: material adapted from resources provided by Hartford Funds.