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A LIVE, LOVE, LEARN SERIES

Shifting to
the Business
of Life *A Survival Guide
for Young Adults*



Table of Contents

Overview	3
Prenuptial Agreement.....	4
Marriage License	5
The Wedding	5
Changing Names	6
Social Security Card	6
Driver’s License.....	6
Income Tax Filing Options.....	6



Marriage

Overview

As an adult you need to realize that marriage is a **legally binding, financial, business arrangement**. You will be cohabitating, which means signing contracts together for either an apartment or a house. You might be getting joint bank accounts and joint credit cards. All these tasks involve legal and binding contracts or leases. Neither one of you can get out of any such agreement without the other's cooperation.

That said, it is a really good idea for you and your other half to have some serious discussions about finances and make sure that you both agree on how household finances are to be handled. This discussion should cover decisions about paying bills, how much of your combined income is "disposable," (*aka, spending money*), how much should be saved and for what.

You should also discuss:

- Whether you want to have kids,
- If you want to buy a house, and
- When to retire.

This is not a complete list of things you should discuss with any potential spouse, but it should get you headed in the right direction. If you and your spouse-to-be don't agree on *these* main topics, you should seriously consider not marrying that person.

When you have decided to get married, there are a few other things you must do: Some are legally required, some are not. Read on.



Prenuptial Agreement

This is a legal document that you or your spouse-to-be (*or both*) might want to write up that contains information about your finances and possessions and how they would be divided between the two of you in the event of a divorce. It is not legally required. However, there is one basic phrase you should consider when debating whether or not to create a “prenup”: ***Community property.***

Imagine this scenario:

You are rich and your fiancé is dirt poor. In a community property state, such as California, the minute you sign that marriage license and file it with the city, everything you own becomes “community property.” As in, each of you now owns half of that. Therefore, that dirt-poor person takes half with him or her if you divorce.

So, before you get married, apply that general train of thought to things you might own and value very highly:

- Your favorite china,
- Your antique furniture collection,
- A restored '57 Chevy.

These could all possibly be considered “community property” after the wedding.

If you acquired them through a purchase after you get married, they are definitely community property, and the fight could get pretty ugly if you were to divorce. Luckily, inherited property is not community property.

While a prenup is not required, it should be considered.



Marriage License

It is a legal requirement that you have a license to get married. Depending upon the city or state, you can fill out an application for a marriage license in one of these places:

- Local city or county administration office,
- County clerk's office, or,
- City hall.

You will need one or two forms of identification such as a driver's license and/or a birth certificate. Call ahead and ask: Every city, state, and country (*if you choose to be married in another country*) is different.

Oh, and these are not free. The last time I checked in the state of Nevada in 2003, it was \$65. I believe in most states the cost is still under \$100.

The Wedding

A big wedding is not required to get married. You can do a simple ceremony at city hall. A "justice of the peace" is typically available to do this for a small fee. (Again, call ahead to find out and to schedule the ceremony.)

There are plenty of wedding options other than using a justice of the peace. Whatever you decide to do, you must decide who is going to pay for what. Traditionally, the bride's family pays for the wedding, the groom's family pays for the rehearsal dinner (*the dinner you provide for the wedding party after all of you rehearse the ceremony*), and the groom pays for the bride's ring and the honeymoon. The bride pays for the groom's ring.

None of this is law, it's just tradition. In today's world, many couples are paying for their own wedding and parents often pitch in to help. Do what works best for you and your spouse-to-be.



Changing Names

It is traditional that the bride takes on the husband's last name (*aka "surname"*) after the wedding. Another option is that the bride keeps her surname and hyphenates it with her husband's surname. Again, this is not law, just tradition, so do what's best for the two of you.

If you plan to change your name, these are the documents that you will need to file, with the appropriate offices:

Social Security Card

You must have your name changed on your Social Security card before you change it on other documents. This affects all your taxes, medical insurance, life insurance, retirement accounts and Social Security income when you retire. It's all connected.

If you are changing your name, you must bring your marriage license and driver's license to your local Social Security office, where you can fill out an application, show required identification and submit your completed paperwork. Your new card with your new name (*same number*) will arrive in the mail a few weeks later.

Driver's License

You must apply for another license in your new name. When you receive your new social Security Card, bring that along with a copy of the marriage license and current driver's license to the Department of Motor Vehicles, fill out, and submit an application. Your new license with your new name (*same number*) will arrive in the mail a few weeks later.

Income Tax Filing Options

Once married you can no longer file taxes as "single." You can use either "married, filing jointly," or "married, filing separately." As far as which is better or worse, contact a tax professional to find out for sure.

