



FAQs: How Beneficiary Designations Work

Who can I name as a beneficiary?

You may name any person, trust, or entity as a beneficiary. If the account on which you are designating beneficiaries is a non-retirement account, you may also specify All Your Descendants as your primary beneficiaries with equal share.

What is the difference between a primary and contingent beneficiary?

You select a primary beneficiary to receive a specified share of your account in the event of your death. A contingent beneficiary is an alternate person who receives the specified share of your account in the event that none of your primary beneficiaries survive you. If you name several primary beneficiaries, and one dies before you, then that person's share is divided equally among the surviving primary beneficiaries (unless you indicate otherwise). If none of your primary beneficiaries survive you, then the share goes to the contingent beneficiaries specified.

Do I have to name a contingent beneficiary?

You don't have to specify a contingent beneficiary, but naming both primary and contingent beneficiaries will help ensure that your assets pass to the individuals/entities that you want them to go to.

Can a minor be named a beneficiary?

Yes, you can name a minor as a beneficiary. However, at the time of your death, if any of the named beneficiaries are minors, a guardian must hold and manage the money until the beneficiary reaches the age of account termination (typically age 18 or 21 depending on state law). For specific legal implications regarding beneficiary designations, contact your legal advisor. Your right to designate a beneficiary is subject to applicable state law.

How does marital status affect my account?

A change in marital status may complicate your estate planning if you do not update your beneficiary designations. For the purposes of beneficiary designation, you are not considered married if you are divorced or widowed. You may want to consult an attorney or applicable state law for clarification of your status.

What happens to my account if I do not name a beneficiary?

If you do not designate any beneficiaries or all your primary and contingent beneficiaries predecease you, your surviving spouse generally becomes your beneficiary. If you do not have a surviving spouse, payment of your account is made to your estate. Please refer to the applicable legal agreements for an explanation of beneficiary payment rules for your account.

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