CLIENT REVIEW · 2026

Beneficiary Designation Review

The forms that override the will — and the five mistakes that show up on most of them.

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Beneficiary designations control retirement accounts, life insurance, annuities and transfer-on-death accounts regardless of what the will or trust says. Review them every three years and after every marriage, divorce, birth or death.

Step 1 — Pull the current form for each account (the actual form, not the account's memory of it)

Retirement accounts — IRA, Roth, 401(k), 403(b), pension	☐ Have it	☐ Requested
Life insurance — each policy, including group coverage through work	☐ Have it	☐ Requested
Annuities	☐ Have it	☐ Requested
Transfer-on-death / payable-on-death bank and brokerage accounts	☐ Have it	☐ Requested
529 plans (successor owner) and HSAs	☐ Have it	☐ Requested
Any account with a "joint" owner added for convenience	☐ Have it	☐ Requested

Step 2 — For each form, check

- ☐ Primary beneficiary is a living person or a trust that exists — not "my estate," not a deceased spouse, not a child who has since had children.
- ☐ A contingent beneficiary is named. Forms with no contingent send the account to the estate and into probate.
- ☐ Percentages add to 100% and children are named the way the plan intends — per stirpes if grandchildren should step in for a deceased child.
- ☐ A minor is never the direct beneficiary. Use the trust or a custodian; a minor cannot receive the money and the court will appoint someone.
- ☐ The designation agrees with the will or trust. If the plan says "everything to the trust" and the IRA says "to the kids outright," the IRA wins.
- ☐ The spouse is treated correctly: spousal rollover rights, the New York right of election, and community-property or ERISA rules where they apply.
- ☐ Retirement accounts to a trust: confirm the trust qualifies as a designated beneficiary and that the ten-year rule and the payout terms are understood.
- ☐ Charitable gifts, if any, come from the retirement account first — the charity pays no income tax on it; the children would.

The five mistakes we see most

1. The ex-spouse still on the life insurance or the 401(k).
2. No contingent beneficiary, so a young family's largest asset goes through probate.
3. A child added to the deed or account "to keep it simple," creating a gift, a creditor exposure and a Medicaid issue.
4. The trust named as beneficiary of the IRA without anyone checking whether the trust can take it.
5. Designations that were right in 2015 and have not been looked at since.

Found something? A free 20-minute intro call sorts most of these in one conversation: calendly.com/rappslaw/intro

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