

## Helping Protect Your Interests and Your Family

The attorneys at Russell, Krafft & Gruber, LLP will counsel you with regard to the details of preparation of a Prenuptial Agreement. A Prenuptial Agreement can be beneficial to any person considering marriage, regardless of the size of the parties' personal wealth and regardless of whether it is their first, second or third marriage. The Prenuptial Agreement is a contract that details how a married couple's assets would be divided in the event of a divorce or separation.

## Protect the Interests of Children of Prior Marriages

Under Pennsylvania law, all property acquired during a marriage is marital property, including the increase in value of assets owned by a spouse prior to the marriage. A Prenuptial Agreement can be used to assure that assets acquired before the marriage, and the increase in value and the income from those assets during marriage, will not be considered or be a part of a divorce action. Those assets can further be protected from any claims by the new spouse so they can be passed on to children of a prior marriage. Thus, a Prenuptial Agreement preserves for children of a prior marriage the assets acquired during that marriage.

## Protect Business Interests Subject to Valuation During a Divorce

In addition, all assets are subject to valuation during a divorce including those that are owned by a business in which a spouse may have an interest. Failure to protect your interest in a family business could lead to a complicated business valuation as part of an equitable distribution proceeding in the event of a divorce and could open up a claim that a business is a marital asset. In order to protect a family business or other assets you acquire prior to your marriage, the Prenuptial Agreement is necessary.

## Providing Certainty About the Distribution of Assets

Finally, in the unfortunate event the marriage is not successful, a Prenuptial Agreement provides a way in which to provide certainty upon your divorce. The parties are free to agree to terms regarding distribution of assets and alimony giving clarity to both of them about what their future will hold if their marriage fails.

## Prenuptial Agreements are Used for a Variety of Situations

In addition, you should consider a Prenuptial Agreement if any of the following is true:

- You are the beneficiary of a trust
- You earn significantly more than your partner
- You have more income or assets than your partner
- Your partner has a tendency to "overspend" and has incurred significant premarital debt
- You want to decrease your financial exposure for your partner's financial liabilities

## Marital Agreements are also Valuable Tools

Parties have the option of entering into agreements during their marriage in order to deal with certain assets and debts and to address how they wish to handle their assets and debts in the event of separation, divorce or even death. Marital Agreements are useful tools in addressing issues that were not addressed in a Prenuptial Agreement or issues that arise during the marriage, such as the exclusion of an asset from the marital estate that was acquired during the marriage or identifying responsibility for certain debt incurred during the marriage. At times, parties will use Marital Agreements to assist with estate planning strategies where a party has received a gift or inheritance which that party wishes to exclude from the marital estate. Marital Agreements are also helpful in identifying and protecting certain assets or shares of an estate for children of a prior marriage. While most

people are familiar with the term Prenuptial Agreement and its purpose, many people are unfamiliar with the concept of Marital Agreements and, in fact, do not even realize that they have the ability to meet many of the same goals provided for in a Prenuptial Agreement after a marriage by executing a Marital Agreement.

## Recent Updates & Recommended Articles from the Lancaster Law Blog:

Consider a Prenuptial Agreement to Protect Your Assets

*Traditionally, you may have thought that a prenuptial agreement is common only among the rich and famous. However, a prenuptial agreement can be beneficial to any person considering marriage, regardless of the size of your personal wealth.*

There are Better Ways to Protect Your Assets...

*In the world of you just can't make this stuff up, a woman recently swallowed over \$7,000 in cash to keep it from her husband. Apparently she had been saving for a vacation to Panama and was concerned that her husband would take it during a recent dispute.*

## Attorneys

- Gary G. Krafft
- Holly S. Filius
- Julie B. Miller

## Range of Services

- Preparation of Prenuptial Agreements
- Review of Prenuptial Agreements
- Alimony
- Equitable Distribution
- Health Insurance provisions

## Related Services

- Family Law
- Divorce & Equitable Distribution
- Complex & High Asset Divorce
- Support & Alimony
- Collaborative Law
- Estate Planning & Wills