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## Voices: How to Serve Military Families

Their added risks and frequent moves call for careful attention to matters including estate planning and real-estate ownership



Military families need to take extra care with financial planning. Here, Secretary of State John Kerry talks with Bahrain-based Navy sailors this month. PHOTO: JONATHAN ERNST/REUTERS

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George Reilly PHOTO: REILLY LAW

Many military families, especially young families, are in special need of financial-planning advice. The risks of going into a wartime situation, and even the prospects of a training accident, mean service members face a greater than average possibility of disability or premature death.

Often military spouses are young and financially

immature. Families aren't in one place for any length of time, so a nonmilitary spouse may have trouble finding a steady second income and a retirement plan of his or her own. So, if something happens to the service member and benefits are paid out, the family needs to be able to access them immediately. And, more so than with other young families, advisers need to help these clients put estate documents in order and update beneficiary designations.

Financial and estate plans can't be static and have to reflect a family's current life situation. Stress that beneficiary designations on retirement plans must be updated. Some soldiers or sailors name a boot-camp buddy as the beneficiary of their Servicemembers Group Life Insurance (SGLI) policy when they first enlist. Make sure they don't forget to change the beneficiary years later when they've married and have children.

Keep in mind that retirement and insurance plans make payouts to named beneficiaries, separate from arrangements in a will. A service member's will may provide that a child can't tap assets left in trust until he or she reaches age 25. But if the child is a named beneficiary of an SGLI policy, those proceeds will be paid directly to the child if he or she is 18 or the state's age of majority or, regardless of age, will be paid to a legal guardian

who may not be the person the service member would have chosen to manage these funds for their child. Another option might be to have a trust for the child be the insurance beneficiary.

Real estate is another area in which advisers can help military clients, particularly by lining up the proper resources. Military families move frequently, so they may own property in multiple states. Sometimes they buy a house where they're stationed, but then they relocate or are deployed and can't sell the house. In that case, they have to find a property management company and the right kinds of insurance. If the service member is killed, the property may end up in probate without the proper steps in place. A client might consider establishing a limited liability company for the property and consulting a lawyer about setting up a living trust to hold real-estate assets during his or her lifetime that also names a beneficiary in the event of his or her death.

Working with military clients is a way to serve those who serve us. If you help a military family prepare for the risks of service, you become the trusted agent at their first post, and you may have a client for life.

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