

**O'Keefe Investment  
Management, LLC**  
Tom O'Keefe, AIF®  
102 Shore Drive  
Suite 300  
Worcester, MA 01605  
508-852-1888  
877-852-1889  
tpo@okeefeinvest.com  
www.okeefeinvest.com

# Beneficiary Designations

## Beneficiary Designations

### *Definition*

A beneficiary designation is a type of will substitute. If you own a life insurance policy or participate in a retirement plan, such as an IRA, 401(k) plan, or 403(b) plan, you can name a beneficiary to receive the proceeds of your plan at your death. A beneficiary designation allows you to transfer the proceeds without going through probate. You can choose your spouse, a child, another adult, a charity, a trust, or your estate as a beneficiary. If you're married, however, the law may restrict your choice. Certain retirement plans require you to name your spouse unless he or she signs a form waiving this right.

### *Prerequisites*

- You own a life insurance policy or a retirement account that allows you to name a beneficiary
- You want to avoid the expense, delay, disruption, and lack of privacy of probate

### *Key Strengths*

- Easy to set up; costs nothing
- Avoids probate; proceeds automatically pass to your beneficiary after your death
- You own the property until your death
- You can change the beneficiary at any time, subject in some cases to certain spousal rights
- Life insurance death proceeds generally are not subject to income tax

### *Key Tradeoffs*

- Retirement plan proceeds frequently are subject to income tax
- Proceeds of retirement plans or insurance contracts may be subject to estate tax
- Choice of beneficiary is a factor in determining how quickly the funds of retirement plans are distributed after you die
- Some plans don't allow alternate beneficiaries
- You lose control of the funds payable under a retirement plan or insurance contract after your death, unless you designate a trust as beneficiary

### *How Is It Implemented?*

- Easy to set up, you simply file a form; it costs nothing
- You generally can change the beneficiary at any time, unless you have made your choice irrevocable

**O'Keefe Investment  
Management, LLC**

Tom O'Keefe, AIF®  
102 Shore Drive  
Suite 300  
Worcester, MA 01605  
508-852-1888  
877-852-1889  
tpo@okeefeinvest.com  
www.okeefeinvest.com

Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser.



O'KEEFE INVESTMENT MANAGEMENT

Prepared by Forefield Inc. Copyright 2010 Forefield Inc.