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Marriage and Money: Six Tips for Same-Sex Couples

Note: If you've been in a committed relationship but are not yet married, you may have been relying on domestic partner benefits through your employer. If so, check to see if your employer plans on continuing those benefits. Because same-sex marriages are now legal across the nation, many employers are re-evaluating domestic partner coverage, and some may no longer offer it.

U.S. Supreme Court decisions have given same-sex married couples the same rights and privileges as opposite-sex married couples. If you're married or on your way to the altar, you'll want to sort through the financial implications and potential opportunities you have.

1. Evaluate your employee benefits

Once you're married, you may want to coordinate workplace benefits with your spouse. Start by contacting your employer's human resource department in order to evaluate the benefits that are available to you. For example, you may want to enroll your spouse in your health and dental plans, or cancel your own coverage if you opt for coverage under your spouse's plan. If your employer offers voluntary group life insurance coverage for your spouse, you may now want to consider purchasing it. You may also be able to help cover your spouse's health insurance expenses through contributions to a flexible spending account or health savings account.

Normally you can make benefit changes only during your employer's annual open enrollment period, but under IRS guidelines there's an exception for certain qualifying events, including marriage. However, you have a limited window (30 days) to make eligible coverage changes. If you don't make these changes within this period, you'll need to wait until the next open enrollment season.

Your company's human resource department can provide guidance about other information you'll need to update. For example, you may need to report name and address changes, and update contact information and beneficiary designations for your life insurance, retirement plan, and other benefit plans.

2. Take a look at your income taxes

Since tax year 2013 (after the Supreme Court's Windsor decision), all same-sex married couples have been required to choose either "married filing jointly" or "married filing separately" when filing their federal income tax returns. But until the Obergefell decision in June 2015, states that did not recognize the marriages of same-sex couples did not allow them to file their state income tax returns jointly. As of tax year 2015, all married couples must file both their federal and state income tax returns as married (jointly or separately).

If you were legally married before the Windsor decision and thus had to file your taxes as single, you might consider amending your tax returns to see if doing so would be advantageous. You generally have three years from the date you filed your federal tax return or two years after the date you paid the tax due (whichever is later) to amend your return. This means you may be able to amend 2012 returns until as late as October 17, 2016, depending on when you filed your 2012 return. If you lived in a state that did not recognize your marriage until Obergefell, you may also be able to amend state income tax returns for prior years if the time period for doing so has not expired--check your state's laws.

If you and your spouse both work, keep in mind that you may need to adjust your income tax withholding to account for circumstances that may affect your overall tax liability. For example, now that you're married, you may be eligible for new tax deductions or credits, or you may end up in a higher tax bracket based on your combined income. You can make any necessary adjustments by completing updated tax forms, such as a new Form W-4.

Talk to a tax professional for help with your particular situation. For more information about withholding and other tax issues, visit irs.gov.

3. Consider your life and disability insurance needs

Take a new look at your insurance needs to make sure that you have the right types and amounts of coverage. Once you're married, you may find that you and your spouse are financially dependent on each other. Having adequate life and disability insurance can help ensure that your family's financial needs will

The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased.

be taken care of if something should happen to you.

4. Revisit your retirement plans

Marriage will affect your retirement goals and income needs, so it's a good idea to have an honest discussion about your finances and expectations for the future. Do you and your spouse share the same retirement vision? Do you have a target retirement date in mind? How much have you saved? You may have been planning separately, but now you may need to make joint decisions about retirement.

You may need to re-evaluate your retirement savings options. Are either of you covered by a defined benefit pension plan? If so, make sure you understand any additional benefits and payment options available to married taxpayers. If you're covered by an employer-sponsored defined contribution plan such as a 401(k) or 403(b) plan, does it make sense to direct more of your money to one plan, based on your retirement goals, investing options, and the availability of an employer match?

You may also need to make adjustments if you're contributing to an IRA, because different rules and limits apply to married couples. For example, if you've been contributing to a Roth IRA, you'll need to determine whether you're still eligible to make contributions. This will depend on the combined income of you and your spouse. Or if you're filing a joint tax return, you may now have the opportunity to contribute to a spousal IRA, even if one spouse isn't working. Similarly, if you've been contributing to a traditional IRA, your ability to deduct those contributions may be limited, depending on your combined income and whether either of you is covered by an employer retirement plan.

You'll also want to review beneficiary designations for all of your retirement plans to make sure they reflect your marital status. Keep in mind that your spouse will generally be eligible for survivor benefits from a defined benefit plan or defined contribution plan and must consent in writing if you plan to name someone else as beneficiary.

5. Learn more about Social Security

Social Security is an important source of income for most individuals. When you're single, you're only eligible for certain benefits based on your own Social Security record, but after you marry you may also be eligible for Social Security benefits based on your spouse's earnings record. These include survivor benefits and spousal retirement and disability benefits.

If you're still deciding when to marry, keep in mind that these eligibility requirements include a length of marriage requirement. For example, you generally need to be legally married for at least nine months for your spouse to qualify for survivor benefits (unless an exception applies) and twelve months for your spouse to qualify for spousal retirement and disability benefits.

The Social Security Administration (SSA) has announced that it will treat same-sex married couples the same as opposite-sex married couples when determining eligibility for benefits. This means that all couples (even those who were living in former nonrecognition states) may apply for Social Security spousal and survivor benefits. If you were previously denied benefits, you should contact the SSA as soon as possible for further guidance.

For more information, visit the Social Security Administration's website, ssa.gov. If you have questions about how marriage may affect your claim call (800) 772-1213, or contact your local Social Security office.

6. Rethink your estate plan

Consider reviewing your estate planning goals, strategies, and documents with an estate planning attorney to determine whether changes are needed.

Using the unlimited marital deduction, married couples can leave an unlimited amount of assets to the surviving spouse, if the spouse is a U.S. citizen. This means the surviving spouse may inherit assets without owing federal estate taxes. Spouses may also make gifts or transfer property to each other without paying federal gift or income taxes, and generally pass any unused estate tax exemption to the surviving spouse. If you previously purchased life insurance to cover estate taxes, you should determine if it is still needed.

To protect your spouse and other loved ones, make sure your documents are up-to-date, including your will and durable power of attorney. And to help make sure your wishes are followed in the event of a medical emergency or incapacity, you may want to have health-care directives in place that will allow your spouse to make medical decisions on your behalf.