

# What You Need to Know About Beneficiary Designations

Beneficiary designations offer one of the simplest ways  
to get assets to your loved ones



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# Why You Need to Update Your Beneficiaries

Accounts that carry a beneficiary designation offer one of the simplest and most direct ways to efficiently get assets into the hands of loved ones after your death. *But only if you have completed the paperwork properly and the information is up-to-date.*

## Your Will Has No Authority Here

Your accounts with beneficiaries are probably more common than you realize. They include IRAs, company-sponsored retirement plans, life insurance policies, Coverdell Education Savings Accounts and annuities, as well as “in trust for” and “pay on death” accounts. In many cases, these accounts will make up much—if not most—of your estate.

By law, the assets in beneficiary accounts must be given to the person(s) or institution(s) named in your contract/account agreement. *Neither your will nor your trust can override the law.* That’s why it’s essential for you to review and update the beneficiary designations on all of your accounts on a regular basis and whenever you have a major change in your personal circumstances such as a divorce, marriage, adoption, the death of a spouse or birth of a child.

If you were married when you opened these accounts, you probably named your spouse as your beneficiary. If you were unmarried at the time, you might have named a parent or sibling. Since then, years may have passed without further thought of whether your initial beneficiary designation still makes sense.

Unless you change the beneficiaries named on your accounts, your assets could be inherited by recipients who are no longer appropriate—an ex-spouse, for instance.



## Use a Contingent Beneficiary as Back-up

When reviewing whom you chose to be the primary beneficiary(ies) of your accounts, make sure you have also named contingent beneficiary(ies). These are the individuals or institutions who will receive your assets if your primary beneficiary(ies) is/are not available, either because they have predeceased you or because they wish to disclaim part or all of your account. (Disclaiming is an estate planning strategy that gives the primary beneficiary(ies) the flexibility to refuse all or a portion of the inherited account, with the remainder passing to the contingent beneficiary(ies) appointed by the account owner prior to death.)



## Minors as Beneficiaries

Take care when naming a minor as your beneficiary. Unless an individual has attained the “age of majority” (which depends on the state where they live), they are not eligible to own financial assets. If you wish to leave certain assets to young children, such as grandchildren, you should appoint a guardian in your will to oversee these accounts until the beneficiary is no longer considered a minor.

## Estate as Beneficiary

If you don’t have a primary beneficiary(ies) or contingent beneficiary(ies) on your accounts—either because the individuals you named have died or because you simply never specified anyone—your estate will become the beneficiary. In most cases, this outcome is not ideal.

Assets left to your estate are subject to the delays and costs of probate. They will be distributed according to the terms of your will. If you don’t have a will, state law determines who receives your assets. Unhappy heirs can contest the division of property, further delaying its distribution.

## Trust as Beneficiary

While naming a trust as the beneficiary of your account may seem like a simple solution, it can actually add a level of complexity when it comes to IRAs. If you want the beneficiaries of your trust to be able to stretch out the distributions from your IRA over their life expectancies, your trust has to meet very specific requirements. Among other things, all the beneficiaries of your trust must be people. You should not commingle individuals and institutions, such as a charity, school or hospital.

It's important that your estate-planning attorney be experienced in drafting a trust that will accomplish your goals.

## 529 Plans: Similar but Different

A different, but related, issue is posed by 529 college savings plans. If you are the account owner for a minor, your death will not affect the beneficiary. However, you should appoint someone you trust who can take over as successor account owner. This position is important because only the account owner of a 529 plan can change the beneficiary and authorize distributions.

## Take a Minute to Protect a Lifetime of Saving

For your own peace of mind and the well-being of your loved ones, use the enclosed inventory worksheet to list the beneficiaries on your accounts, making sure the information is both current and correct. The primary and contingent beneficiaries may vary depending upon the asset. Please include a phone number for each beneficiary so your investment representative may notify them and discuss distribution options when the assets pass after your death.

Once you have completed the inventory, you'll only need a few minutes each year to review and make changes.

**Please note:** To ensure that beneficiary changes are legally binding, you will need to submit them to the appropriate account custodian, plan administrator, or insurance company using the forms and procedures each requires.



# Information Needed

To ensure a complete inventory of beneficiary information, please gather this information for all accounts, including those that are not currently serviced by your investment representative.

**IRAs** Contact your IRA custodian. (examples: bank, mutual fund company or brokerage firm where you have your IRA account)

Account owner/Name on account

1.

2.

3.

**Company-Sponsored Retirement Plans** (examples: 401(k), 403(b), 457, SEP, SIMPLE, pension, Keogh)

If you can't find this information on the annual statement, contact your plan administrator.

Account owner/Name on account

1.

2.

3.

**Life Insurance** Show your statement to your investment representative.

Owner

1.

2.

3.

**Annuities** Show your statement to your investment representative.

Owner

1.

2.

**College Savings Plans** Show your statement to your investment representative.

Account owner/Name on account

1.

2.

# Beneficiary Account Inventory Worksheet

## IRAs

BENEFICIARY DESIGNATION

<b>ACCOUNT NUMBER</b>	<input type="checkbox"/> TRADITIONAL <input type="checkbox"/> ROTH	<b>OWNER NAME</b>	(1 of 6)
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP

BENEFICIARY DESIGNATION

<b>ACCOUNT NUMBER</b>	<input type="checkbox"/> TRADITIONAL <input type="checkbox"/> ROTH	<b>OWNER NAME</b>	
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP
First name	M.I.	Last name	Date of birth (mm/dd/yyyy)
			SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share
<input type="checkbox"/> Contingent			Phone number
Address		City	State ZIP

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- For IRAs with Franklin Templeton Bank & Trust, please visit [franklintempleton.com](http://franklintempleton.com) to access required forms for retirement plan account changes.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

# IRAs

BENEFICIARY DESIGNATION

ACCOUNT NUMBER   TRADITIONAL  ROTH OWNER NAME  (2 of 6)

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

BENEFICIARY DESIGNATION

ACCOUNT NUMBER   TRADITIONAL  ROTH OWNER NAME

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

First name  M.I.  Last name  Date of birth (mm/dd/yyyy)  SSN/TIN

Primary Relationship:  Share  % Phone number

Contingent  Contingent

Address  City  State  ZIP

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- For IRAs with Franklin Templeton Bank & Trust, please visit [franklintempleton.com](http://franklintempleton.com) to access required forms for retirement plan account changes.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

**Company-Sponsored Retirement Plans** (Examples: 401(k), 403(b), 457, SEP, SIMPLE, pension, Keogh)

BENEFICIARY DESIGNATION

<b>ACCOUNT NUMBER</b>	<b>OWNER NAME</b>	<b>EMPLOYER NAME</b>	(3 of 6)
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP
-----			
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP
-----			
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP

BENEFICIARY DESIGNATION

<b>ACCOUNT NUMBER</b>	<b>OWNER NAME</b>	<b>EMPLOYER NAME</b>	
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP
-----			
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP
-----			
First name	M.I. Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:	Share	Phone number
<input type="checkbox"/> Contingent		%	( )
Address	City	State	ZIP

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

# Life Insurance

BENEFICIARY DESIGNATION

<b>POLICY NUMBER</b>	<b>OWNER NAME</b>	<b>INSURANCE COMPANY</b>	(4 of 6)
----------------------	-------------------	--------------------------	----------

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

BENEFICIARY DESIGNATION

<b>POLICY NUMBER</b>	<b>OWNER NAME</b>	<b>INSURANCE COMPANY</b>	
----------------------	-------------------	--------------------------	--

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

# Annuities

BENEFICIARY DESIGNATION

<b>POLICY NUMBER</b>	<b>OWNER NAME</b>	<b>INSURANCE COMPANY</b>	(5 of 6)
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First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

BENEFICIARY DESIGNATION

<b>POLICY NUMBER</b>	<b>OWNER NAME</b>	<b>INSURANCE COMPANY</b>	
----------------------	-------------------	--------------------------	--

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

First name	M.I.	Last name	Date of birth (mm/dd/yyyy)	SSN/TIN
<input type="checkbox"/> Primary	Relationship:		Share	Phone number
<input type="checkbox"/> Contingent			%	( )
Address		City	State	ZIP

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

**College Savings Plans** (Examples: 529, Coverdell Educational Savings Account)

SUCCESSOR ACCOUNT OWNER

**ACCOUNT NUMBER** \_\_\_\_\_ **OWNER NAME** \_\_\_\_\_ (6 of 6)

First name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_ SSN/TIN \_\_\_\_\_

Successor Relationship: \_\_\_\_\_ Share \_\_\_\_\_ % Phone number \_\_\_\_\_ ( ) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**ACCOUNT NUMBER** \_\_\_\_\_ **OWNER NAME** \_\_\_\_\_

First name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_ SSN/TIN \_\_\_\_\_

Successor Relationship: \_\_\_\_\_ Share \_\_\_\_\_ % Phone number \_\_\_\_\_ ( ) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Coverdell Educational Savings Account**

BENEFICIARY DESIGNATION

**ACCOUNT NUMBER** \_\_\_\_\_ **OWNER NAME** \_\_\_\_\_

First name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_ SSN/TIN \_\_\_\_\_

Primary Relationship: \_\_\_\_\_ Share \_\_\_\_\_ % Phone number \_\_\_\_\_ ( ) \_\_\_\_\_

Contingent \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

First name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_ SSN/TIN \_\_\_\_\_

Primary Relationship: \_\_\_\_\_ Share \_\_\_\_\_ % Phone number \_\_\_\_\_ ( ) \_\_\_\_\_

Contingent \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

First name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_ SSN/TIN \_\_\_\_\_

Primary Relationship: \_\_\_\_\_ Share \_\_\_\_\_ % Phone number \_\_\_\_\_ ( ) \_\_\_\_\_

Contingent \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

- You can add as many primary and contingent beneficiaries as you wish.
- If you're designating more than one beneficiary within an account, the total under "share %" should equal 100%.
- This does not replace a beneficiary designation form. A beneficiary designation form must be completed for each account.

I, the undersigned, reserve the right to change beneficiary(ies) without the consent of previously said beneficiary(ies).

I understand that individual designations noted in this worksheet must be completed with each of my providers and accounts in order for my new beneficiary designations to take effect.

**X** \_\_\_\_\_ **X** \_\_\_\_\_ Date \_\_\_\_\_  
Signature Signature

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Investors should carefully consider college savings plan investment goals, risks, charges and expenses before investing. To obtain a disclosure document, which contains this and other information, talk to your investment representative or call Franklin Templeton Distributors, Inc., the manager and underwriter for a 529 plan, at 1-800/818-4030. You should read the disclosure document carefully before investing and consider whether your, or the beneficiary's, home state offers any state tax or other benefits that are only available for investments in its qualified tuition program.